FEDERAL BUREAU OF INVESTIGATION

FREEDOM OF INFORMATION/PRIVACY ACTS SECTION

SUBJECT: FRANK COSTELLO

FILE NUMBER: 62-76543 SUB A

FBI - CLEVELAND
FEB 18 1950

CLEVELAND PLAIN DEALER
February 13, 1950
page 1, columns 7,8

Mr. Tolson
Mr. Ladd
Mr. Clegg

RACKET TRAIL LINK

UBBIG U. S. CITIES

HUNDREDS OF MILLIONS FUNNELED AWAY FROM REAL U. S. BUSINESS

Costello-Ricca-Capone Combine, Dominating Eastern Region, Reaches Hands to New Orleans, Miami and Las Vegas Allies; Shadow of Legendary 'Mafia' Broods as Dollars Shower

EDITOR'S NOTE—Newspapermen from a dozen major cities, wise in the devious ways of the racketeers, met in Chicago to exchange information. Within 24 hours word of their meeting had gone around the country on the underworld grapevine. This is the first of two articles based on the newspapers' combined resources.

(Copyright, 1950, by the Cleveland Plain Dealer)

This is a story about the rackets.

The rackets, chief among them gambling, funnel off hundreds of millions of dollars each year from legitimate trade channels.

This story hits only the high spots.

There's Frank Costello of New York, a fellow so unbelievable he might have been dreamed up by a Hollywood script writer.

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There are connections, sometimes clear, sometimes shadowy, between Costello and the Ricca-Capone setup in Chicago, the hoodlum setup in New Orleans, with the [illegible] shot-at Mickey Cohen in Los Angeles, with the [illegible] fields of Florida, Arizona, Nevada.

There's a loosely knit federation in the [illegible]. Despite their seemingly catch-as-catch-can working arrangements, the mobs blanket the country.

And their operations are as definite and recognizable in San Francisco as in New York, in Minneapolis as in St. Louis or Chicago or Kansas City.

If new and fresh cash is needed for a hoodlum enterprise the boys come up. A pistolero from Pueblo, Col., may take care of some recalcitrant mobster in St. Louis. An expert at gimmicking slot machines, to cut the players' percentage, can be had from Chicago quick as a phone call and plane can take care of it.

Complacency—or Connivance

In some cities there is police and political complacency. In others there is active police connivance.

Gambling can't operate for any period unless the police let it operate. Nor can the other rackets.

There's the same quest in city after city for political power for the mob or the friends of the mob.

There's the Continental Press Service, which peddles racing information and results on a nation-wide basis. There will be a detailed story on this tomorrow.

The handbook racket is hamstrung without Continental.

There's the insistently recurring legend, common throughout the country, about "the Mafia," supergovernment of the gang world.

The beginnings of this article you are reading go back to a meeting in Chicago of men representing newspapers in a dozen cities scattered throughout the country.

They wanted to match knowledge about racket operations. As they exchanged information, the picture set forth above became clear.

Costello was born in Italy in 1891. He was brought to the United States when he was 4. He was arrested in Greenwich Village in New York in 1915 on a charge of carrying a gun and was sentenced to a year in prison. This is the only conviction on the Costello record.

Faithful, He Takes Over

He went into the bootlegging racket during prohibition. When Joe (The Boss) Masseria, a power in the New York underworld, was shot to death, his "faithful" henchman, Costello, became the head man.

With Costello were associated "Dutch" Schultz, shot to death; Lepke Buchhalter, who died in the electric chair; Lucky Luciano, deported to Italy, and some others, slightly more fortunate. Among these is Frank Erickson, biggest bookmaker in the country, but strictly on a "Yes, sir, no, sir" basis with Costello.

Another of Costello's men is Meyer Lansky, who seems to be Costello's traveling envoy. He pops up in New Orleans, where "Dandy Phil" Kastel runs Costello's slot machines.

Lansky pops up in Chicago, where he was once seized by police in company with Paul (The Waiter) Ricca, who succeeded Al Capone as boss of the Chicago rackets. A couple of others in that cozy gathering were 'Lucky' Luciano and Rocco Fischetti, Capone's cousin and still in the Chicago rackets.

Lansky appears again in Florida. The New York mob and the Chicago mob eyed the rich pickings in Florida. For a while, there were rumors there might be a shooting war between them.

Chicagoans Give Ground

Then the Chicago mob, after some conversation with Lansky, backed away from the New York mob's operation in Broward County (north of Miami). The Chicago syndicate, which had taken the S. & G. local syndicate of Miami Beach, with Harry Russell, Chicago gambler, as front man, cut the New Yorkers in for 30% of the Miami Beach take. The pickings haven't been as rich as in other years. Miami Beach hasn't given the gamblers the go sign.

Lansky, which is to say Costello, appears again in Las Vegas, home of the $7,000,000 Flamingo Club. Bugsy Siegel, former New York hood, was the reputed owner of

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RACKET TRAIL TIES BIG CITIES OF U. S.

Costello-Ricca Mob Reaches Hands to Many Allies

(Continued From First Page)

this place until he was shot to death in his Beverly Hills (Cal.) home. Lansky may wind up as proprietor.

In another case, Costello was named by Willie Bioff as being in cahoot with the Chicago mob on the deal that put Bioff and George Browne in as heads of the motion picture operators' union.

This was the setup that led to the million-dollar movie shakedown and the conviction of Ricca, Charles (Cherry Nose) Gioe, Louis (Little New York) Campagna, Phil d'Andrea and John Rosselli.

Rosselli, paroled, as were the others, after some peculiar maneuvers, has now taken over some of the Los Angeles rackets, pushing out local talent.

Cohen in Costello Company

Mickey Cohen of the same city also connects up with the Costello-Ricca regime. He is reputed to have got a little big for his breeches, to have refused to yield to the demands of the big boys.

Not so long ago gunmen shot and killed a companion and wounded Cohen, and just last week his home was bounced around by a bomb.

When Cohen was shot police seized Cohen's private telephone directory. The directory showed names and names—sports stars, movie people, but, more interesting for the purpose of this story, topflight gamblers in all the bigger cities of the nation—New York, Chicago, St. Louis, New Orleans.

There has been a sinister development in Kansas City. A few years ago the town was hailed for cleaning house—tossing out the Pendergast machine, putting an FBI man at the head of its police department, kicking the hoodlums around.

When Old Tom Pendergast died, after serving a prison sentence for income tax fraud, he bequeathed his Kansas City political machine to a nephew, Jim. Kansas City, of course, is President Truman's home bailiwick. What happens in Kansas City politically could have national repercussions.



NUCLEUS OF BIG-TIME RACKET CONTROL. As early as 1 these men, brass hats of the tional racket network, were cl ly connected. This picture pro it. On April 20, 1932, Chic police collared these men, wh they had watched outside a C cago hotel. No. 1 is Paul (W Waiter) Ricca, kingpin of Chic mobdom; 2, Sylvester Agos gun-toter with arrests in Mi in 1930 and in Brooklyn, N. Y. 1920; 3, Charles (Lucky) Luci New York hoodlum, since t deported to Italy; 4, Meyer L sky, henchman of Frank Cost —the Mister Big of the natio underworld; 5, Rocco Fisch alias John Senna, cousin of late Al Capone and still a t in Chicago rackets.

Papers in Racket Study

Joined with the Cleveland Plain Dealer in pointing attention toward the national rackets are the following newspapers:

THE CHICAGO DAILY NEWS.
THE DAILY OKLAHOMAN.
THE DETROIT FREE PRESS.
The DENVER POST.
THE LOUISVILLE COURIER-JOURNAL.
THE MIAMI HERALD.
THE MINNEAPOLIS TRIBUNE.
THE NEW ORLEANS TIMES-PICAYUNE.
THE NEW YORK HERALD TRIBUNE.
THE OMAHA WORLD HERALD.
THE PROVIDENCE JOURNAL-BULLETIN.
THE SAN FRANCISCO CHRONICE.
THE ST. LOUIS POST DISPATCH.

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Frank Costello to Face Senate Quiz Today On Big-Time Betting

McFarland Refuses To Turn Hearing Into Large-Scale Affair

By Miriam Ottenberg

Frank Costello, often described as the overlord of the underworld, was called before Senate gambling investigators today to talk about big-league betting.

Chairman McFarland of the Senate Commerce subcommittee said Costello "agreed voluntarily at our request" to appear.

Senator McFarland has insisted repeatedly that he isn't making a crime investigation and simply wants to get information on bookmaking operations from the gamblers called before the subcommittee.

The group is trying to determine whether the Nation needs a law to forbid the interstate transmission of gambling information.

Carroll Opposes Plan.

So far, numerous city and State law enforcement officials have said they need a Federal law to help them cope with their local problems. But the first witness from the gambling world, James J. Carroll, St. Louis betting commissioner, told the Senators yesterday their proposed anti-gambling statute wouldn't do a bit of good.

Announcement of the Italian-born Costello's appearance before the subcommittee drew wide attention because he has long been an almost legendary figure despite his frequent denials of underworld connections.

When newsreel and radiomen wanted to make today's hearing a large-scale production, Senator McFarland refused to move to a larger committee room.

The subcommittee has issued subpoenaes for two of Costello's associates—Frank Erickson and Joe Adonis.

Erickson Expected to Appear.

Adonis, called by New York police a "racketeer," is reported by his physician to be ill in Hot Springs, Ark. Erickson, reputedly "Mr. Moneybags" for the bookmakers, is said to have been in touch with the subcommittee indirectly.

Senator McFarland said he thought Erickson's appearance could be arranged without difficulty.

Tomorrow, the subcommittee expects to hear testimony from Russell Brophy of Los Angeles and also from a representative of the Yonkers (N. Y.) Daily Times. Both have asked to appear.

Brophy, dscribed by Los Angeles police as the "front man" for the race wire service in that city, telegraphed the subcommittee he wants to refute the "fairy tales" the group has been hearing about him.

As for Yonkers publication, New York police officials told the subcommittee it supplies gambling information.

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Sen. Wiley Demands Frank Costello's Ouster

Sen. Wiley (R) of Wisconsin demanded yesterday that the Department of Justice take action to revoke the citizenship of Frank Costello, whom the senator described as an underworld kingpin.

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Costello Naturalization Fraud Charge Probed

NEW YORK, Feb. 22 (INS)—Charges that Frank Costello, New York gambler, obtained U.S. citizenship through fraud are being investigated by U.S. Attorney Irving Saypol of New York, following last week's demand by Robert Montgomery, movie actor and commentator, that Costello's citizenship be revoked.

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Eye Costello's Citizenship in Fraud Charge

Charges that Frank Costello, asserted slot-machine czar, obtained U. S. citizenship through fraud are being investigated by U. S. Attorney Irving H. Saypol, following last week's demand by Robert Montgomery, movie actor and radio commentator, that Costello's citizenship be revoked.



Frank Costello

As soon as his inquiry is finished, Saypol said, he will discuss his "views" with the Department of Justice and the Immigration Service, "within whose immediate jurisdiction such matters are delegated."

Cites 1925 Application.

Montgomery's affidavit charged that the Italian-born Costello, in applying for naturalization Sept. 10, 1925, stated that he was a person of good moral character. As a matter of fact, Montgomery charged, Costello has admitted under oath that he was a bootlegger and had paid no federal or state income tax from 1919 to 1932.

Saypol said there has been no interference, "directly or indirectly," to hamper his investigation.

According to sources close to immigration authorities, there's little chance of giving Costello the heave-ho, since he entered the U. S. legally at the age of 4 and by law a person becomes deportable only if he commits a crime of moral turpitude within five years of his admission.

His Police Record.

In addition, he is deportable if at any time in this country he is convicted of two such crimes, including such felonies as murder, treason, rape, fraud, larceny or perjury.

Costello's record at Police Headquarters for 1908 to 1939 shows a year's penitentiary term in 1915 for having a concealed weapon. In 1908, he was discharged on an assault and robbery charge here, and again in 1935, a federal conspiracy count in Manhattan was dismissed. In 1939, he was found not guilty of income tax violation in New Orleans.

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Why No Costello Probe?

For some reason (maybe it's political), our federal government is loathe to investigate charges made against Frank Costello, New York gambling czar, and fair-haired boy of certain Tammany Hall leaders.

Last week, film star Robert Montgomery courageously undertook a patriotic one-man campaign to have Costello's citizenship revoked. He charged that when Costello applied for citizenship, the gambler claimed to be of good moral character although he had previously been a bootlegger. Mr. Montgomery further charged Costello with failing to pay state and federal income taxes from 1919 to 1932.

So far, the Democratic national administration has refused to take any action on the charges. Mr. Montgomery requested Attorney General J. Howard McGrath to enter the case. When notified, Mr. McGrath did not even issue a formal reply to the bid. If he has done so yet, the news is being kept exceedingly quiet.

Mr. Montgomery's charges add up to a serious accusation. They merit thorough investigation. And if found to be true, deportation proceedings against Costello should be started at once.

Maybe it's too much to expect the Truman administration to investigate a Tammany stalwart. If that is the case then Congress is the only agent the people have to discover who in the federal government is protecting Frank Costello and why!

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Sifts Costello Citizenship Fraud Charge

U. S. Atty. Saypol today said he was investigating charges that Frank Costello, reputed gambling czar, obtained his American citizenship by fraud.

Saypol's statement was made in answer to an inquiry to determine if any action had been taken by the U. S. Attorney's office on charges filed last week by Robert Montgomery, film actor and commentator, who asked that Costello's citizenship be revoked.

ADMITTED BOOTLEGGING.

The actor charged in an affidavit that when Costello, a native of Italy, filed an application for naturalization Sept. 10, 1925, he said he was a person of good moral character.

Montgomery's affidavit said Costello has admitted under oath not only that he was a bootlegger, but also that he had not paid any Federal or State income taxes from 1919 to 1932.

The prosecutor explained that when the actor's affidavit was filed, he was in Washington at ding the United States Att- ys' conference. On his retu , ypol said, he immediately d ted his staff to look into Mon

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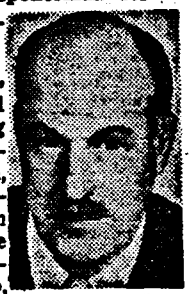
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Washington Merry-Go-Round

Lewis Calls Operators 'Tenpins'

By Drew Pearson

During one part of the recent meeting of coal operators with John L. Lewis, Lewis challenged Bert Manley, spokesman for the Far West operators:



Pearson

"Mr. Manley, you know you'll sign anything the Illinois operators will sign, the Illinois operators will sign anything the Ohio mine owners will agree to, and Ohio will follow Pennsylvania. That brings us to George Love (president of the Pittsburgh Consolidation Coal Company). When Love signs, the whole lot of you will fall down like tenpins.

"The trouble with you gentlemen is you don't know how to think for yourselves. You're too easily coerced by the big banking interests that control you."

"Speaking of coercion," acidly shot back Love, "how about all those men on your picket lines who are keeping the mines from reopening? I guess you'd call that coercion."

Lewis said the operators would have to meet two "conditions" before he would consider a new contract: (1) All lawsuits against him by operators who are demanding damages for their strike losses would have to be dropped, (2) any operators who held back payments into the miners' pension-welfare fund during the strike must pay up pronto.

Lewis somberly read the list of lawsuits against him, running into millions of dollars.

"I trust that you gentlemen will see to it that these suits are dismissed," he served notice. "The United Mine Workers' lawyers will await your pleasure. As for those deadbeat operators who have held back their honorable obligations to the welfare fund, they had better repay their indebtedness if they expect us to meet with them in good faith."

Note — There may be a lot of truth to Lewis's allegation that Western and Midwestern operators have been waiting for George Love of Pittsburgh Consolidation Coal to set the pattern for settlement. This has sometimes appeared to be the case in the past.

Frankie Costello

Some of New York's high-powered publicity experts have been touting a Hollywood actor's recent attempt to have Frankie Costello deported. Here is what this columnist said about Costello on July 21, 1947, almost three years ago:

"The kingpin of American gamblers, once the biggest liquor racketeer in the country, Frankie Costello, could be deported from the United States if anyone really wanted to get tough about it.

"Frankie Costello migrated here from Italy around 1895 and became a naturalized citizen in 1925. At the time Costello took the oath of citizenship, however, he glossed over certain things which, if discovered in the record of any other less powerful person, would cause him to lose his citizenship and be deported.

"For instance, Costello did not tell the Government, when he took the oath as a citizen, that he had previously served a term in jail for carrying a concealed weapon. . . ."

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Gambling Kings Face Questioning

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By United Press

Senators mapping a national crime investigation said yesterday they will question some of the top "kingpins" in gambling and the rackets if Congress approves their proposed inquiry.

Simultaneously, Sen. Wiley (R) of Wisconsin proposed that the inquiry be broadened into a joint Senate-House effort to assure an all-out assault on "the multi billion-dollar crime syndicates."

A Senate judiciary committee already has approved the investigation, which was demanded by Sen. Kefauver (D) of Tennessee. He predicted yesterday the full committee and the Senate will give him the "go-ahead" signal soon.

Kefauver said he will try to get the full committee to act today. Meantime, he said, his own personal staff is "collecting lots of information and facts" on the scope of organized crime in America.

He declined to reveal his plans until the investigation is formally authorized. But other Senate informants said he intends to summon "big name" lords of the underworld in an effort to expose their activities and break up their "rackets."

While no names were mentioned, alleged gambling czar Frank Costello was believed to be high on the list. Costello denied last week that he heads a nationwide slot machine industry. He was linked to the alleged syndicate by Mayor De Lesseps Morrison of New Orleans.

Wiley, ranking Republican on the judiciary committee, said there is "an excellent chance" the committee will act on "some version of legislation for a full investigation of interstate gambling and recketeering."

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WASHINGTON POST
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Frank Costello Answers 29 Questions On Gambling, Politics, Night Clubs

Copyright, 1950, New York Herald Tribune Inc.

Frank Costello, frequently called the head of a nation-wide gambling syndicate, answered twenty-nine questions submitted to him yesterday by Leslie Midgley, New York Herald Tribune reporter. This newspaper publishes the questions and answers in full for the light they may throw on Costello and his activities. Costello said this was the first time he had answered such questions in a newspaper interview.

The questions and answers follow:

Q. What comment do you have on reports that you are chairman of a board here which directs organized gambling nationally?

A. Those reports are untrue and are without any foundation. I do not know of the existence of any organization which controls or engages in national gambling, and, therefore, know of no individual or individuals who are chairmen or members of a "board" which directs organized gambling nationally.

Slot Machines

Q. Do you own any slot machines at the present time? If not, when did you dispose of them?

A. During my whole lifetime I was only interested in two operations of slot machines: in New York City from approximately 1929 to 1933, and in New Orleans from approximately 1935 to 1937 and 1943 to 1946. I never had any interest, directly or indirectly, in other slot machines operated in any other place.

Q. Do you have any interest, as alleged in California, in manufacturing slot machines in Chicago?

A. No.

Q. Do you have any interest in International Distributing, the liquor wholesalers, the Whiteley Distillery in Scotland, or any other liquor concern?

A. No.

Q. How would you describe your principal business activities?

A. I do not care to describe my business activities other than to state that all of the income from my activities is reported in my income tax returns.

Mickey Cohen

Q. Do you know Mickey Cohen in Los Angeles, Pete Licavoli in Detroit, or Paul Ricca in Chicago? Do you have any contact with them or business transactions of any kind?

A. I never met Mickey Cohen or Pete Licavoli and never had any business transactions of any kind with them. I met Paul Ricca on several occasions many years ago, have not seen him in the last ten years—but have never had any business transactions of any kind with him.

Q. Have you ever owned all or part of a racing news wire service?

A. No.

Q. Do you own any interest in racetracks?



Frank Costello — James Kavalines

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Frank Costello

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tired." Does this mean retired from any particular activities?

A. I am not retired—I am active in some of my business interests.

Q. Have you ever made any contact with police or the district attorney here to "clear" any claims made against you?

A. During the past five or six years, on a number of occasions, I have written to various Police Commissioners, Mayors, District Attorneys, Governors and other officials, denying false claims made against me and offering to submit to thorough interrogation and investigation, at my own expense, and with an unconditional waiver of immunity. In all of these instances the claims were either withdrawn, repudiated or no attempt made to take advantage of my offer.

Q. Have the Federal Bureau of Investigation, Bureau of Narcotics, state or local authorities, indicated they were investigating you?

A. I was never officially notified that I was being investigated by those authorities.

Q. You once said you had been "investigated by experts." Who were they?

A. According to the press reports I was the subject of investigation by the F. B. I. and the Treasury Department. In referring to "experts," I had these agencies in mind.

Q. Any relations with Vito Genovese, Mike Coppola, Joi Rao or Joe Adonis? If so, how would you describe them?

A. I never had any business relations, directly or indirectly, with these four men, excepting that some years ago Mr. Adonis and I each had a small interest in a gambling enterprise in Saratoga.

Q. How would you describe yourself economically?

A. The claims of my vast wealth and income are pure fiction. I am a man in moderate circumstances, with a modest income and I live conservatively but comfortably.

Q. How about the Chicago Crime Commission claims you head a Mafia or Unione Siciliana organization?

A. These claims are wholly false. At no time was I ever a member of, connected or associated with the so-called "Mafia" or "Unione Siciliana" organization—directly or indirectly. In fact, I have absolutely no personal knowledge concerning this organization; the only thing I know about it is what I have read in the press and dime novels.

Q. What's your reaction to the descriptions "prime minister of the underworld," "gang overlord," etc.?

A. These titles were created solely to build me up into a sensational character, which, in fact, does not really exist.

Q. It was established seven years ago you were interested in politics, principally in Democratic designations and nominations. Is this still true?

A. No.

Q. Have you ever contributed to any national campaigns, either primaries or elections—for either party?

A. No.

Q. Was your interest in politics—or is it—based on the national origin of the candidates or district leaders?

A. To some extent, but not altogether.

Q. Do you know Carmine G. DeSapio and have any interest in his leadership?

A. I am acquainted with Carmine G. DeSapio, but have no interest in his leadership.

Q. Have you supported Vito Marcantonio in any campaigns?

A. No.

Kansas City, Reno, Missouri or Oregon in my lifetime.

Q. Any interest in Chicago.

A. No.

Q. Any interest in New England lotteries or gambling?

A. No.

Q. Mayor De Lesseps Morrison of New Orleans claimed last Wednesday that you and a revived Capone organization rule gambling and that you sought to influence New Orleans city government. Have you any comment?

A. I never "ruled" gambling alone or with anybody else. I never had any business relationship of any kind or character with Capone or the so-called "revived Capone organization." I never sought to influence New Orleans city government in any manner whatsoever.

Q. How do you personally account for the constant stream of claims that you are the real director of the gambling industry in this country?

A. I cannot account for it other than to state that those claims are false and can only be made by persons who are either wholly irresponsible or gullible.

Q. Would you testify before an investigation of gambling such as presently proposed in a Senate resolution?

A. I would respond gladly to an invitation to Washington without subpoena and am confident that it would put an end once and for all to these false, exaggerated stories about me.

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Costello Denies Link With Mafia, Gambling, Mobsters or Politics

By the Associated Press

NEW YORK, Feb. 17.—Frank Costello said today he had a small interest in a New Orleans night club. But he flatly denied any connection with organized gambling, the liquor business, the Sicilian "Black Hand" and various mobsters including Mickey Cohen.

Costello, sometimes called "prime minister of the underworld," answered 29 questions about himself in a copyrighted interview published in the New York Herald Tribune.

The interview came a few days after a group of 14 newspapers, including the Herald Tribune, launched a campaign to pool information in an effort to define the extent, modes of operation and other details of organized crime. The first story mentioned Costello.

Called Slot Machine Czar

At a conference in Washington Wednesday of Attorney General McGrath's National Conference on Law Enforcement, Mayor de Lesseps Morrison of New Orleans described Costello as a former rum runner and more recently "czar of the slot machine racket."

Robert Montgomery, the motion picture actor and radio commentator, has started a legal action calling for Costello's deportation.

In the Herald Tribune interview, with Reporter Leslie Midgley, Costello refused to describe his business activities except to say they are all reported in his income tax returns, and to add:

"I have a small interest in a night club in New Orleans."

Asked if he would testify at a gambling investigation such as a current Senate resolution proposes, Costello replied:

"I would respond gladly to an invitation to Washington without subpoena and am confident that it would put an end once and for all to these false, exaggerated stories about me."

Costello denied specifically:

That he is "chairman of a board" which directs organized gambling throughout the country.

That he is interested in slot machines. He said his only activities in this field were in New York between 1929 and 1933 and in New Orleans from 1935 to 1937 and from 1943 to 1946.

That he never met Mickey Cohen of Los Angeles or Pete Licavoli of Detroit. He said he once knew Paul Ricca of Chicago but had no business dealings with him and hasn't seen him for 10 years.

That he has any financial interest in race tracks, race wire service or night clubs other than the one unnamed club in New Orleans.

That he ever has been connected with the Mafia (Black Hand) or Unione Siciliyana, as the Chicago Crime Commission has charged.

That he is interested in politics. In the past, he said, he has supported candidates—"to some extent, but not altogether" because of their national origin.

Costello said such titles as "prime minister of the underworld," and "gang overlord" were created by others, "to build me up into a sensational character which, in fact, does not really exist."

Is Costello vastly wealthy, as is often rumored?

"I am a man in moderate circumstances with a moderate income," he said, "and I live conservatively, but comfortably."

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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WASHINGTON STAR
Date 2-17-50

Law Officials Go on Record Against Crime

—By LEE MORTIMER—

WASHINGTON, Feb. 15—The Attorney General's Conference to abolish interstate rackets ended today with the waving of flags, as the delegates agreed crime was now ended—well, anyhow, in a bad way. But Los Angeles fighting Mayor Fletcher Bowron privately told me if the machinery set up was aimed at a whitewash, he would tour the country to focus public attention on the tieup between crime and corrupt public officials.

When asked about the charge by Mayor Morrison, of New Orleans, that Frank Costello's citizenship was fraudulently obtained, McGrath refused to comment.

Mayor Bowron said the conference was too short to accomplish anything. But Attorney General McGrath told the press the nucleus of a cooperative organization would be set up to "smash" syndicated crime.

An executive continuing committee of mayors, police chiefs and attorney generals was set up with Mayor Newton of Denver as chairman.

Limited time prevented any discussion of the resolutions submitted, all of which were "tabled for further study." One asked strengthening of a Federal unlawful flight statute, to make it cover all felonies.

Another requests Federal legislation to regulate interstate communication of race results. A third seeks to put fingrprints on all social security cards and make them available to local officials.

Other resolutions included: a uniform firearms licensing law with a central bureau recording their serial numbers; forbidding the interstate transportation of gambling devices and slot machines and requiring registration of all owners, making the closed income records of police characters available for inspection and reopening.

The chairman said he hopes to get action on these resolutions before April 15. Many delegates told me privately, however, they thought nothing would be done and the whole business would be pigeonholed.

Most of the proceedings were held behind closed doors, but I can comfort the big mobsters. They have nothing to fear from today's session which sprung nothing that hasn't been long in the public domain.

While President Truman was lecturing the delegates on the history of our moral law, which he traced back to Moses on the Mount—meanwhile getting in a plug for his FEPC—other keynoters were urging Federal, State and local governments "to amalgamate" to fight the crime syndicate.

The press got the heave-ho after Truman and Attorney-General McGrath spoke, but early in the afternoon Mayor Quigg Newton, of Denver, the temporary chairman, called a news conference and spilled what had transpired to date.

The alibi for the atrocious conditions which face the country was developed in the President's speech. He said crime is a normal postwar concomitant and, in a classic non sequitor, he compared today's organized monopoly to the causes of the alien and sedition laws which followed the Revolution. Then he brought his auditors up to the Civil War.

"My state was responsible for some of the greatest bandits of all times," said the President.

He might have mentioned Boss Pendergast, his political mentor, and Tony Gizzo and Charlie Binnannio, who have taken over the Jackson County Democratic machine in the name of Chicago's Fischetti brothers.

Frank Costello was the merry whipping-boy at whom everyone took a crack. But no one mentioned his Mafia partners. For most speakers, apparently there is no law-breaking in this country except by policy operators, slot-machine owners and bookmakers.

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Cancel Costello Citizenship, Montgomery Asks U.S. Court

BY ERNIE HILL
Daily News Foreign Service

NEW YORK—Actor Robert Montgomery, cast in the role of public benefactor, says he is going to "bird dog" the Justice Department until he gets some co-operation on his action to revoke the citizenship of Frank Costello, underworld king.

Montgomery filed the proceeding late Tuesday night with the federal district attorney here.

A copy of the action was sent to Attorney General McGrath at Washington.

"The country needs direct action—and at the top," Montgomery said. "Let's start with Frank Costello."



Robert Montgomery smokes in court after asking that Frank Costello's citizenship be revoked.

• • •

APPEARING in Federal Court here, Montgomery filed an affidavit "in the matter of the citizenship of Frank Costello." He charged that Costello had made a living as a bootlegger from 1919 to 1932 and that he was guilty of "falsifying his naturalization application" in 1925 when he was given citizenship.

"I am taking this action as a private citizen," said Montgomery, "because public officials have failed to act."

"From 1919 to 1932," Montgomery charged in his action, "in other words for a period of six years [illegible] his petition for naturalization [illegible] nor New York income taxes during the entire period . . .

"The source of my information is Frank Costello's own testimony in the Supreme Court of the State of New York . . ."

Montgomery posed for pictures and held a press conference in the Federal Court building here after filing the action with Court Clerk William V. Connell.

• • •

"THIS PROCEDURE," he said, "is like getting Al Capone for income tax evasion. Costello's bootlegging business was nothing compared with his underworld gambling activities of today."

It is Montgomery's contention that Costello violated the prohibition amendment and falsely listed himself in the "real estate" business when he was granted citizenship.

Montgomery said he had talked with members of the Chicago Crime Commission and the Miami Crime Commission before taking the action.

• • •

HE SAID he had made numerous inquiries concerning underworld vice activities and that inevitably he was led in the direction of Costello.

***"Costello is the top man,"* said Montgomery. "He's the one to get."**

To reporters, Montgomery explained that he embarked upon the campaign because he had witnessed "the rot that attacks governments when gamblers hold of a community."

• • •

SINCE HE started the paign, he said, he has rec abusive telephone calls and mysterious messages.

"I would not consider an them threatening," he said don't think they would be foolish."

Montgomery said he continue to "hound" the di attorney and the attorney eral at Washington for acti his petition. He said he appear as a complaining w against Costello continuin hold American citizenship.

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Mr. Tolson
Mr. Ladd
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Mr. Nichols
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Robert Montgomery Asks Court To Revoke Costello's Citizenship

Robert Montgomery, motion-picture actor and radio commentator, filed an affidavit in United States District Court yesterday asking that the government revoke the citizenship of Frank Costello, ex-bootlegger and reputed gambling overlord.

Mr. Montgomery stated that he was acting as a private citizen interested in the welfare of the United States." His affidavit was based on the fact that when Costello, who was born in Italy, filed an application for naturalization Sept. 10, 1925, he stated he was a person of good moral character.

Actually, the affidavit affirmed, Costello had for six years previously and for seven years afterward been "engaged in the bootlegging business to such an extent that he owned trucks and chartered boats for that purpose."

Cites 1943 Case

Mr. Montgomery said the source of his information was Costello's appearance in the Appellate Division in October, 1943, in the case of Justice Thomas A. Aurelio, of the Supreme Court, then an attorney against whom disbarment proceedings were being pushed on the grounds that he had obtained his nomination to the Supreme Court through Costello's influence. (Justice Aurelio was later cleared.)

At that time, Mr. Montgomery stated, Costello not only admitted being a bootlegger, but also that he had not paid any state nor Federal income taxes from 1919 to 1932.

Mr. Montgomery now has a news commentary program from 9:45 to 10 p. m. Thursdays over the American Broadcasting Company, carried in New York City over station WJZ, called "Robert Montgomery Speaking." He also has a television program from 9:30 to 10:30 p. m. on alternate Mondays (the next showing is Feb. 27) over WNBT called: "Robert Montgomery Presents Your Lucky Strike Theater."

Discussed Plan in Broadcasts

Mr. Montgomery said that in trying to get information on national rackets for his program, "everything led inevitably to Costello." He said he has been discussing the action against Costello on his broadcasts.

Attorneys in the office of the United States Attorney last night said that the Supreme Court has taken the attitude that "citizenship should not lightly be withdrawn" and said that the government would have to prove that Costello had willfully made false statements to obtain his citizenship by fraud or illegal means, and that the statements would have to be such that, if they were known at the time, they would have been cause to deny citizenship.

Costello said that he had not obtained his citizenship by fraud and that Mr. Montgomery's action was a "cheap, hammy stunt" for publicity.

Mr. Tolson
Mr. Ladd
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Mr. Nichols
Mr. Egan
Mr. Tracy
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N. Y. Herald Tribune
DATED FEB 15 1950
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Montgomery Attacks Costello's Citizenship

New York, Feb. 14 (U.P.)—Robert Montgomery, movie actor, visited Federal Court today in an effort to start Government action to revoke the citizenship of Frank Costello, reputed underworld czar. He said he had been investigating Costello since November 1, 1949.

Montgomery signed an affidavit seeking to have the U. S. Attorney start a citizenship suit against Costello. The affidavit claimed Costello obtained his citizenship fraudulently, since when he filed his petition in 1925 he was violating the national prohibition act, and was not paying State or Federal income taxes on his bootleg profits.

The affidavit quoted Costello's court testimony in 1943 admitting being a bootlegger and not paying taxes until 1932.

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Costello Under Unique Attack By Film Actor

NEW YORK, Feb. 14 (INS). Screen actor Robert Montgomery began action "as a private citizen" in New York federal court to revoke the citizenship of Frank Costello.

He appeared in person to request U. S. Atty. Irving H. Saypol to start action against the former bootlegger on the charge that his citizenship was obtained illegally.

In his affidavit, Montgomery said Costello who was born in Italy, filed a petition for naturalization on May 1, 1925, and was admitted to citizenship on Sept. 10, the same year.

Montgomery said that when Costello, once called New York's Public Enemy No. 1 by the late Mayor LaGuardia, filed his application he swore he was "a person of good moral character."

"For six years before," the actor declared, "and for seven years thereafter, Costello was engaged in the bootlegging business to such an extent that he owned trucks and chartered boats for that purpose." Costello "is not a person of good moral character," Montgomery charged.

When asked why he had chosen Costello as his target in what he called "a little battle for decency," Montgomery replied:

"We picked the top man, didn't we?"

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13 TIMES-HERALD
Washington, D.C.
WEDNESDAY, FEB. 15, 1950

Mayor LaGuardia, filed his application he swore he was "a person of good moral character."

"For six years before," the actor declared, "and for seven years thereafter, Costello was engaged in the bootlegging business to such an extent that he owned trucks and chartered boats for that purpose." Costello "is not a person of good moral character," Montgomery charged.

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"We picked the top man, did we?"

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A New Boss for Kansas City

Well, it has happened. The new Democratic political boss by reason of organization, by primary victory, is Charles Binaggio.

Binaggio is 41. He was born in Texas, came to Kansas City with his father, a cobbler, got mixed up in the rackets under John Lazia. Lazia, Kansas City gang boss, was shot to death July 10, 1934. One of his pallbearers was Binaggio, then but 25.

Binaggio wrested control of half a dozen wards from Jim Pendergast. President Truman still smiles on Pendergast, receives him at the White House, but Bill Boyle, Democratic national committeeman, attended a Binaggio dinner. And Binaggio was early on the bandwagon that led to the election of Gov. Forrest Smith.

Political observers assert that Binaggio is second only to Gov. Smith in Missouri Democratic circles.

The St. Louis Post-Dispatch refers regularly to Binaggio as "the Kansas City representative of the Chicago Capone syndicate."

Cried Binaggio: "I don't know anybody in that mob. I never was the mob's man here."

Gets 25% Cut

He does get a 25% cut from the Duke Sales Co., which sells Canadian Ace beer, put out by Alex Louis Greenberg's Chicago brewery. Greenberg was long the Ricca-Capone mob's financial master mind.

Binaggio has a lieutenant, one Tony Gizzo. Gizzo was the fellow who took the Ricca gangsters' families from Kansas City to Leavenworth at the time Ricca and his fellow hoods were paroled.

They all went back to Kansas City, with Gizzo, for a party to celebrate the parole. The telephone wires hummed out of Kansas City that night with the word that "Paul and the boys are out."

The rise of Binaggio to a commanding post in the Democratic party in President Truman's home state recalls that this political tie-up exists elsewhere.

There was that famous tapped telephone conversation between Costello and Supreme Court Justice Thomas Aurelio in New York. The judge thanked Costello for getting him the job and vowed "undying loyalty."

There's the "Italian bloc" in the Illinois Legislature which has made a bum out of efforts to tighten up Illinois criminal laws.

The list of the top-ranking hoodlums mentioned is far from complete—a sizable directory would be needed just for the listing.

There's Tony Goebels, real name Accardi, erstwhile Chicago hoodlum, now in New York, who ranks high in the Mafia legend.

There's Joe Adonis, a Costello lieutenant, who flits from Brooklyn to Newark, N. J., to Florida on racket business.

There's Morris Kleinman, Cleveland gambler, an ex-rum-runner, who controls a heavy handful of gambling clubs interstate.

There's Jimmy "Blue Eyes" Alo, another Costello operative active in Brooklyn, also in the Mafia inner council.

There's Abner "Longie" Zwillman, boss of the New Jersey rackets and a Costello ally.

There's Pete Licavoli, once a St.

Meyer and Jack Lansky. Costello ites, reopened the La Boheme.

TOMORROW: Continental Press Service; some inside facts and figures.

Wash. Post
1/20/50

The Washington Merry-Go-Round

Gaming Rackets Undermine Law

By Drew Pearson

Earlier in this series I expressed the opinion that President Truman knew nothing about the links that some of his henchmen have with Costelloism and the gambling racketeers.

I base this opinion on the fact that, at this moment, Federal grand juries are probing the racketeers in Los Angeles, Miami and Kansas City.



Costello

This investigation includes the new Democratic boss of Kansas City, Charles Binaggio, who has carried the town for Truman by resounding majorities, but who, nevertheless, was hauled before a grand jury by the Justice Department at the very same time Truman was in Kansas City for the Bill Boyle testimonial dinner.

Actually, these grand juries cannot clean up gambling, which comes under local law-enforcement agencies, but they can crack down on narcotics, income-tax evasions and illegal immigration, which go hand in hand with gambling. In fact, Frankie Costello, an Italian immigrant, could be deported to Italy tomorrow if the Justice Department wanted to act.

Undermining Enforcement

The important thing about the gambling rackets, whether they be in Miami, Kansas City, or Fresno, Calif., is the manner in which they undermine law enforcement.

Most people probably see nothing wrong with a $2 bet or with slot machines in a beer tavern. But along with the $2 bet and the slot machines go payoffs to the police. These payoffs may be only $30 a week. But when a cop will take $30 a week to protect a gambling joint, he will also take $1000 to fix a murder case. Once the pattern of a dishonest police force is fixed, there is no boundary line where it can be stopped.

In Kansas City only 2 out of 12 gangland murders have been solved by the police in the last two years. And as a result of the current Justice Department probe in Kansas City, one witness before the grand jury, Daniel W. Robinson, was murdered recently. Another witness, Sam Butler, after being badgered by the gang, committed suicide.

The invasion of Costelloism is always slow, almost imperceptible. At first it can scarcely be detected.

Nearly always it gets a foot in the door through heavy political contributions to a candidate for public office. He may be completely honest, but he needs the money and doesn't think twice about the obligations he must fulfill after he takes office.

In Kansas City, for instance, it was Democrat Forrest Smith, running for Governor of Missouri in 1948, who accepted the backing of the Binaggio gang. Now that he's in the Governor's chair, Smith, has no love for the gamblers or what they stand for. Nevertheless, Binaggio's political power is an inescapable fact. Binaggio has even been admitted, after Smith's election, to the secret Democratic caucus of the Missouri Legislature, while two Binaggio friends have process. Frankie Costello arrived with a $100,000 cash contribution to Huey's campaign, in return for which Huey opened up the State to slot machines.

This looked harmless at the time, and was the most painless way for Huey to raise money to fight the big oil companies and utilities then bent on defeating him. But it paved the way for the most ruthless State dictatorship this country has ever seen.

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The World Today

WHAT may prove one of the most significant conferences of the year opened in Bangkok, Thailand, when 17 top American diplomats from all over the Far East gathered in the U. S. embassy to determine what may be done in the Orient's cold war against Russia. Philip Jessup, ambassador-at-large and top State Department expert on the Soviet, who has spent four years fighting Communism in the Pacific, was in charge.

•

William Dudley Pelly, erstwhile Silver Shirt leader, will be paroled from Terre Haute Federal Prison tomorrow after serving about half of a 15-year sedition sentence. He's wanted in North Carolina, however, for violating terms of a suspended sentence he got there in 1935.

•

The Rev. I. B. Huston, Baptist, of Atlanta, called for banishment of Cupid as the symbol for tomorrow, asking, "How did he get in there with St. Valentine, the Christian martyr, anyway?"

•

New York firemen searched the ruins of St. Martin of Tours Catholic Church, seeking evidence of possible arson in the five-alarm blaze that destroyed the half-block-long structure.

•

Margaret Sanger, birth control advocate, has been barred from a lecture tour in Japan, said the newspaper Yomiuri, because Gen. MacArthur's headquarters fears to admit her will be to be presumed a supporter of her views.

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Most of the $1,800,000,000 drop in internal revenue receipts, said Treasury experts, was due to a 12 per cent drop in personal income tax returns.

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What may be the first gun in a Federal war on big-time organized gamblers (Frank Costello, Mickey Cohen, et al) is consideration of U. S. control of slot machines at Attorney General J. Howard McGrath's one-day crime conference Wednesday.

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56 MAY 16 1950

WASHINGTON NEWS
Date 2-13-50

Vice King Costello Also Hit

Bob Montgomery Backs Florida Fight

BY ERNIE HILL
Daily News Foreign Service

NEW YORK — Robert Montgomery, film star and director, told me in an exclusive interview here that he is out to help beat Sen. Pepper for re-election in Florida and to get Frank Costello, underworld king, deported to Italy.

Montgomery said that he was furnishing campaign ammunition to Rep. Smathers, opponent of Pepper for the Democratic nomination, to help "chase Pepper out of the Senate."



R. MONTGOMERY

As for Costello:

"Unless the Justice Department takes action to strip him of his citizenship in a reasonable period of time," Montgomery told me, "I will go into Federal Court and file a writ of mandamus to take his American citizenship away from him.

"I think he ought to be sent back to Italy as perhaps the most evil influence in America today.

"He has been exposed for what he is and still there is no action in Washington. It is time citizens take these matters in their own hands."

• • •

MONTGOMERY issued these blasts against Pepper and Costello after a radio broadcast. The popular movie star covers national and international affairs.

The affable actor, between script rehearsals, elaborated on his pet peeves—Pepper and Costello.

"Recently," he said, unbuttoning his vest and relaxing in a radio lounge, "I sent some ma-



FRANK COSTELLO SEN. PEPPER

rial to Smathers, who is running against Pepper. (Smathers is a House member from Miami.)

"I have proof that Pepper signed a telegram to the Federal Communications Commission Nov. 12, 1949, asking that radio franchise be granted for a new station to send horse race results to Miami.

Continued from First Page

ing against underworld characters who are living there.

That brings me to Frank Costello, whom I believe to be in Miami now."

In his broadcast, Montgomery charged that Costello was guilty of fraud in becoming an American citizen because he had been a "big time bootlegger."

He cited a court opinion that made this grounds for taking citizenship away.

Montgomery stated that he has voted both Democratic and Republican and that no group was behind his broadcasts. He said he was on the air for the Lee Hat Co. with complete freedom to say what he wished.

• • •

"SOME OF the weekly news magazines took out after Costello," he said to me, "but they have not followed it up. I think they pulled their punches to some extent. I am ready to go ahead as a private citizen and make it a federal court issue."

Montgomery said he was without intentions, at this time, of going to Florida to make speeches against Pepper.

He said that he would continue to lend every assistance to "any reputable citizen running against him."

• • •

HE SAID he also planned to keep alive the question of two American Navy men who have been held hostages by Chinese Communists near Tsingtao. They are Chief Electrician William C. Smith of Long Beach, Calif., and Marine Master Sgt. Elmer C. Bender of Chicago.

He said that for 15 months their wives have not known their fate.

"We have a right," he said, "to expect firm and direct action by our State Department to get these men out."

Montgomery, himself a commander in the Navy, said that he had received a letter from Mrs. Smith, wife of one of the two, saying that her residence was about to be taken from her because her husband was unable to sign certain papers.

Montgomery said he planned to continue his campaign until he got action in the State Department on these two men.

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Gambling—a Federal Problem

Last September Carl H. Chatters, executive secretary of the American Municipal association, representing 9,500 American cities, threw up his hands at the problem of fighting organized nation-wide gambling and crime syndicates.

He asked federal help, contending that the problem "is too big to be handled by local officials alone; the organized criminal element operates across state boundaries on a national scale."

The National Municipal league, the United States Conference of Mayors and other municipal groups joined Chatters in demands for an organized effort to fight organized gambling and crime. Dayton D. McKean, chairman of the department of government at Dartmouth college, told the league that more than $400,000,000 a year was being spent by nation-wide gambling syndicates to bribe and "buy" local governmental officials. The annual "take" on slot machines alone, he estimated, amounts to two billion dollars.

City after city has urged municipal organizations to get something done about criminal elements which have organized on a scale that gangsters of the 1920's never dreamed of.

States have been threatened, as well as cities, by the gambling syndicates. Robert S. Allen, former Washington columnist, recently charged that the "underworld tentacles of gambling overlord Frank Costello are to be found in state government from New York to Florida and from Louisiana to California." The name of Costello has appeared time and again in reports on gambling and governmental corruption, reaching even to Washington.

Senator Kefauver (Dem., Tenn.) has asked congress for $100,000 for a senate judiciary committee investigation of gambling. Senator McCarthy (Rep., Wis.) has suggested that at least two senate committees dig into nation-wide racketeering and gambling.

A congressional investigation is necessary. No time should be lost in adopting some plan like those of Kefauver and McCarthy. This has ceased to be a local or even a state problem. It is a national problem that demands federal action to halt the corruption which, thousands of public officials say, is invading every unit of American government.

Mr. Tolson
Mr. Clegg
Mr. Glavin
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MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN
1-31-50

Costello Fraud In Citieznship Charged on Air

Frank Costello, by his own admission, obtained his American citizenship through fraud, Robert Montgomery, actor - directo, chaged last night in his weekly ABC radio commentary.

Mr. Montgomery called Costello "the powerful prime minister of the underworld," and demanded that he be stripped of his citizenship an deported.

Court Testimony Cited.

Costello admitted his naturalization fraud when he testified in New York Supreme Court on Oct. 25, 1943, that he had been a bootlegger, smuggling whisky on chartered boats during the 1920s, Mr. Montgomery declared.

These activities violated federal laws requiring good conduct and good moral behavior of aliens in the five-year period between the filing of first and second citizenship papers, Mr. Montgomery charged. Costello received final papers in 1925.

'I Charge Fraud.'

"To become a citizen, he stated —under oath and by signature— that he was attached to the principle of the Constitution." Mr. Montgomery said. "I hereby charge this oath was fraud on his part."

Costello's bootlegging testimony was given when he was questioned under oath concerning his political activity in behalf of Justice Thomas Thomas A. Aurello, now a Supreme Court justice, Mr. Montgomery recalled.

The charges were made in connection with a citizens' drive on what Mr. Montgomery termed a national crime syndicate. He said he had wired Attorney General J. Howard McGrath a demand to start immediate proceedings to revoke Costello's citizenship.

Mr. Tolson
Mr. Ladd
Mr. Clegg
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CLIPPED FROM THE
World Telegram Sun
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FORWARDED BY N. Y. DIVISION

The Washington Merry-Go-Round

Liquor Racketeers Change Line

By Drew Pearson

(Editor's Note—This is the second of Drew Pearson's columns on gambling racketeers and how they affect our various branches of Government.)

In 1932, when Franklin Roosevelt advocated the repeal of prohibition, one big argument was that liquor racketeers had become a law unto themselves, a group above the Government. That argument was valid. But now the old liquor racketeers have moved into the gambling racket where they still remain a law unto themselves.



COSTELLO

Last year a rash of stories on Frankie Costello were published by Time, Newsweek and Edward Folliard of The Washington Post, a great newspaperman. These stories told how Costello lunched in style at the Waldorf, wore custom-made clothes, owned an office building on Wall Street.

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Mr. Pennington
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Mr. Quinn
Mr. Nease
Miss Gand

The Washington Merry-Go-Round

Liquor Racketeers Change Line

By Drew Pearson

(Editor's Note—This is the second of Drew Pearson's columns on gambling racketeers and how they affect our system of Government.)

In 1932, when Franklin Roosevelt advocated the repeal of prohibition, one big argument was that liquor racketeers had become a law unto themselves, a group above the Government. That argument was valid. But now the old liquor racketeers have moved into the legitimate fields where they still remain a law unto themselves.



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The Washington M[illegible] -Round

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WASHINGTON POST
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Washington MERRY-GO-ROUND

By Drew Pearson

(The author of this column is given the widest latitude. His views do not necessarily reflect those of the Mirror.)

WASHINGTON, Jan. 1.—American GIs have been making life a lot happier for German children, and doing a bangup job of selling democracy in the bargain, by their youth activity program. This has now snowballed into 300 centers and clubs in the American zone and Berlin.

What's more, Congress isn't providing the money. It's coming almost entirely out of GI pockets, from privates to generals, with some important help from CARE.

Contrary to the German youth program of the Russians in their zone, which is compulsory, our German youth activity program is completely voluntary. The centers, similar to settlement houses here but on a grander scale, are recreational as well as educational. And there's good, substantial food on tap for the undernourished.

The idea is to reach children who have been misled by the Nazis; also to counteract the anti-U. S. hate propaganda taught in the Russian zone. Democracy is not rammed down the children's throats, but is explained to them. As Lt. Col. Robert C. Hall puts it: "We are not conducting classes



Teaching With Toys...

in democracy. We are not scientifically injecting democracy, American style, into kids' minds.

"We are not qualified for such a project and neither is it the American policy in Germany to propagandize in this manner. What we are doing is working with youth, playing with youth, and demonstrating democracy by practicing it."

The program cost around $245,000 last year, of which $55,000 came from U. S. contributors, through CARE. Though 900,000 German youngsters have been contacted, but the GIs eventually hope to increase the figure to 1,500,000—if they get more help from the American public.

Costello's Lobbyist

IT IS whispered that Frankie Costello, king of the gamblers, has his own private lobbyist on Capitol Hill. In an attempt to get the facts, this column interviewed one Murray Olf in a hotel which is headquarters for many Congressmen.

Olf's reaction was:

"How did you get my name?"

But he scoffed at the idea that he lobbies for Costello. He said Costello is a friend, that they may have been seen together at New York's Waldorf-Astoria Hotel, where Costello usually receives visitors, and that he and Costello employ the same lawyer, George Wolf of New York City.

Asked what he did on Capitol Hill if he wasn't a lobbyist, Olf explained he dropped in occasionally for haircuts at the House barbershop.

"It's cheaper," he explained. "They don't know the difference. They think I'm a Congressman."

Olf was also told he had been seen chumming around with various Congressmen.

"Just being neighborly," he insisted. "Why, I'm surrounded by Congressmen. Sure, I have them in for a drink now and then, or they drop in to watch the fights on my television set. Just being neighborly."

Olf explained he worked for the Automatic Music Co., which places jukeboxes in restaurants and dives.

"Business is bad," he said sadly. "All the bars have television sets now."

When it was pointed out that Costello also has been in the jukebox business, Olf denied any business connection. He explained he bought a house from Costello about 20 years ago, has known him ever since.

NOTE—This column has also talked to other known associates of Costello. All tell the same, almost verbatim story: They don't work for Costello but are just friends; that he is really a nice, quiet guy; that the newspapers have him all wrong. Olf told the same story.

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Two Worlds

Who Is Responsible for Costello? People? Cities? Uncle Sam?

(Last of a Series)

By Edward T. Folliard
Post Reporter

It is the quaint practice in this democratic land, with its traditional scorn for the trappings of royalty, to award crowns and scepters to those who are least admired: the leaders of the underworld.

Thus, Frank Costello is proclaimed "King of the Slot Machines," and monarch, also, in other shadowy fields. He reigns, so it is said, over a vast empire of crime.

Costello says all this is rot. Then, reversing the usual order of things, he offers a fat reward to anybody who can show it to be otherwise.

But let it be supposed that Costello really is an all-powerful and sinister No. 1, a man whose "syndicate" reaches all over the United States and spends millions to topple local officials who get in his way.

Whose, then, is the responsibility for bringing this man to book? Is it that of the Federal Government or that of the local community?

Actually, it is a responsibility that has to be shared.

However, there is a feeling among some Federal officials here that the problem is primarily a local one, and has to be dealt with as such.

There is a suspicion, also, that local officials are trying to shed their responsibility and create a mass impression that the job is one for Uncle Sam.

This happened before, in the days of prohibition, but the Federal Government had one thing

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inter-city Union Siciliano, and [redacted] engaged in a multitude of profitable rackets.

Costello called a press conference [redacted] Attorney Wolf's office, and made public a let[redacted] in which he said he was "shocked" by Williams' charges. He challenged District Attorney Hogan to call him before a grand jury, and offered to waive immunity.

I asked Colonel Williams about the charges that had been attributed to him. He said he had to laugh at some of the things that newspapers had quoted him as saying.

Well, what did he think of Costello?

"Costello is generally regarded as being one of the leading racketeers in the United States," Colonel Williams said. "It is impossible for him to avoid being allied with syndicated crime in this country."

Having said this, Colonel Williams had to admit that he had no evidence that Costello was connected with the narcotics racket. If he did have evidence, he said, he would take Costello to court.

Costello himself gets almost violently angry when his name is connected with narcotics.

"I'd rather be dead than do anything like that," he said on one occasion. "That's despicable."

As far as this reporter was able to determine, Federal authorities have no evidence that Costello is the head of a gigantic underworld syndicate.

If he is, I was told, it will eventually be brought to light.

Although Attorney General McGrath said nothing about it in his letter to Chatters, the Department of Justice is throwing a sort of slow-moving dragnet over the country as a result of the mayors' appeal.

It is conducting grand jury investigations in one city after another, aimed at big-time racketeers in general.

The grand jury investigation that started in Kansas City, Mo., late in September was ordered by President Truman himself. It was in session at the time Mr. Truman went to Kansas City for a dinner in honor of "Bill" Boyle, chairman of the Democratic National Committee.

Testifies, Then Hurries to Dinner

One of those called before the grand jury was Charles Binaggio, Kansas City political boss, who is credited with seizing control of the remnants of the Pendergast machine. After testifying, he hurried to the Boyle dinner and sat among some of the high-ranking officials from Washington.

This series of grand jury investigations already has developed information that led to the indictment of a narcotics dealer in Miami. It may lead to much more.

Meantime, Frank Costello says he has no fear of prosecution. He insists that his only interests are his real estate holdings in New York and his gambling casino outside of New Orleans in tolerant Jefferson Parish. He says he reports all his operations to Uncle Sam and pays a proper income tax.

Some persons who have made a study of Costello are convinced that he has a "compulsion toward respectability." They say this accounts for his extraordinary efforts to knock down the many things that are said about him—his letter-writing, his statements to the press, and his repeated challenges that his critics "put up or shut up."

There may be something to that, but I don't think it is the whole answer.

A man with a fixation about respectability would hardly have gone down to Ellis Island to bid bon voyage to a character like Charles (Lucky) Luciano, as Costello did in 1946 when Luciano was being deported.

Would Never Repud[redacted]riends

Anyway, Costello told me [redacted] would never repudiate old underworld friends, regardless of their reputation.

"I'll always buy them a drink whenever I meet them," he said at our luncheon in the Waldorf.

What worries Costello most, I am convinced, is a fear that he will be built up into such an awesome figure that a Nation-wide outcry will come for his deportation back to Italy.

Costello applied for his first citizenship papers in 1923, which was 12 years after he served his 10-month sentence for carrying a gun. He was admitted to citizenship in 1925. Three months later he was arrested on a rum-running charge, but beat the rap when the jury got hung.

From time to time, there have been reports that Bureau of Immigration officials were looking into Costello's case. However, his lawyers have assured him that he had nothing to worry about.

Costello, nevertheless, does worry. He likes the United States and its free-enterprise system. He and the other tycoons, now rich and powerful, have good reason to like it.

The End

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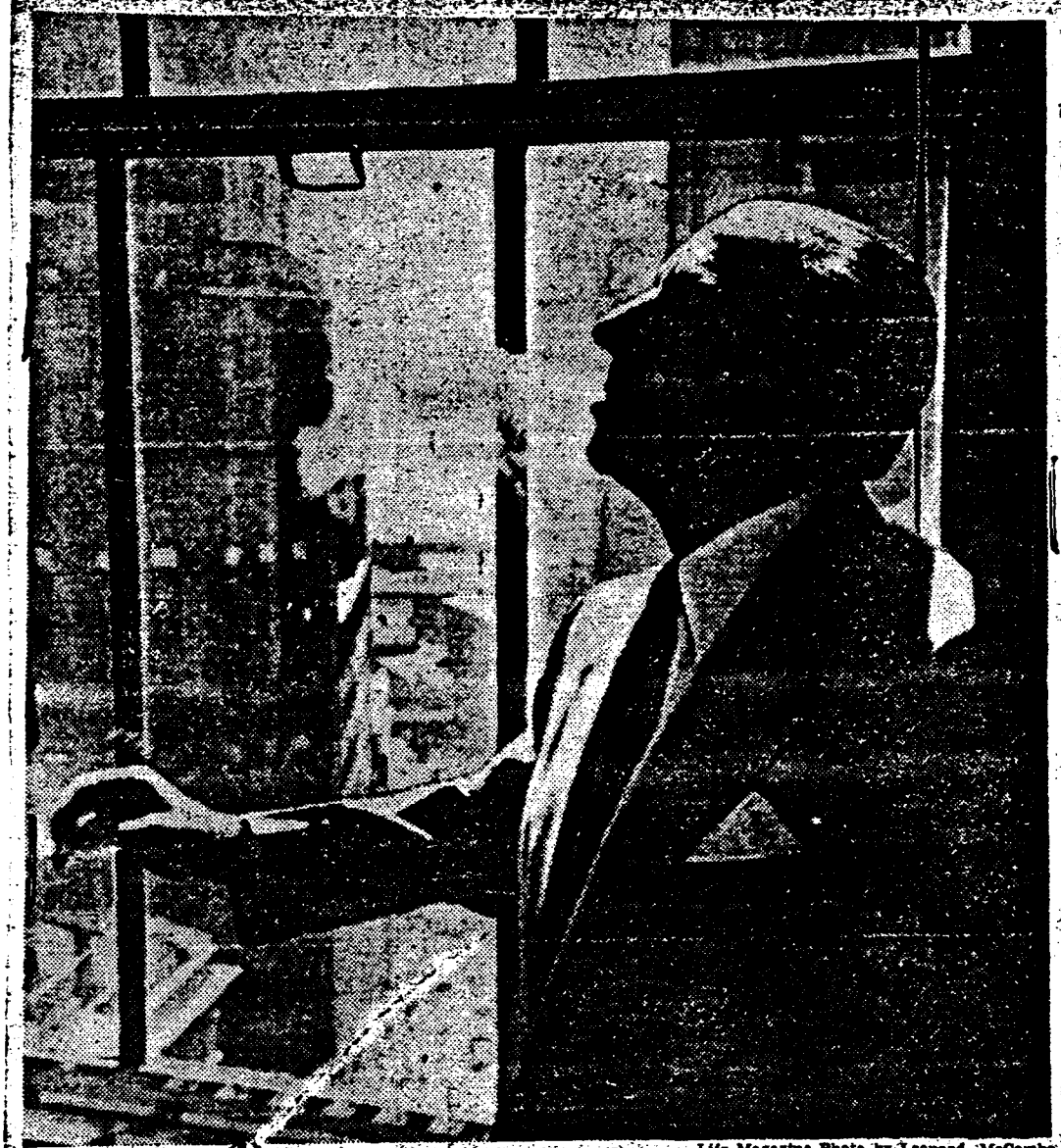
In Two Worlds

Costello Now a Political Power, Gangland 'Diplomat,' Slot King

By Edward T. Folliard
Post Reporter

This is about three "tycoons."

The "tycoon" is the mid-century's contribution to the social order. He rules an empire partly inherited from the tycoons of the '20s and partly derived from the goons of that era. But he is unlike the mobsters who reigned over gambling and other vices during prohibition. He operates a little outside the law, a little inside the law and generally alongside the law. He tries not to bother the law and tries to keep the law from bothering him. This is the third in a series of articles about three of the country's most successful tycoons.



Life Magazine Photo by Leonard McCombe

Frank Costello puffs a cigarette in downtown New York office building

New York.—Frank Costello came into the dining room straight from the barber shop, which is directly across the foyer. The first impression I got of him, therefore, was one of freshness and neatness. He was smiling, there was no swagger about him, and if there were any gorillas around, they certainly were not visible.

He is a man of medium height, about 5 feet, 8 inches, short-necked and wide-shouldered. His black hair, faintly streaked with gray, is brushed back in pompadour fashion from a narrow forehead.

His eyes are a deep blue, keen and friendly. He has a long nose and also a long jaw, maybe suggestive of strength.

Like many New Yorkers, he gets an "oi" into certain words, so that bird becomes "boid," girl becomes "goil," and verbal becomes "voibal." He has a pretty good vocabulary, however, and a directness that makes him easier to follow than, say, the better-educated Attorney Wolf. Not once in a long interview did he use profanity.

Costello was wearing a custom-made blue suit with a faint pin-stripe, a white shirt and polka-dot tie.

He might have been taken for an importer,

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Ladd ✓
Clegg
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Harbo
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N.Y. Mirror

Date: NOV 29 1949

Underworld—From P. 1

Who Is Responsible for Costello?

then in the case of liquor that it does not now have in the case of gambling. It had a law—the Volstead Act.

There is no Federal law against gambling. If there were, it is not likely that Frank Costello, Joe Adonis and Frank Erickson would list themselves on their income-tax returns as gamblers.

There is no Federal law against slot machines, either. Actually, Uncle Sam collects a license fee on such machines.

And, finally, there is no Federal law to prevent a gambler from bribing local officials in order to get protection for handbooks, roulette wheels, dice games, and slot machines.

There are some members of Congress who think there ought to be a Federal law under which gambling could be attacked in its interstate aspects. However, that is something for the future.

As matters stand, Federal officials with enforcement experience are convinced that gambling can thrive only where there are one of two sets of conditions.

Whole Business Wide Open

In places like Reno, Las Vegas and Saratoga, the whole business is wide open, having the blessing of both the officials and the populace.

In other places, gambling either is tacitly condoned or somebody is taking graft in cases where it persists in one spot for very long.

What it all boils down to, as the aforementioned Federal officials see it, is this: What really may be needed in communities suffering from gambling and corruption is a housecleaning, a shake-up of the law enforcement agencies.

The mayors of the country—some 9500 of them represented in the American Municipal Association, with headquarters in Chicago—say they need help. They have sought it from the Federal Government, declaring, in effect, that the problem is too big for them.

Carl H. Chatters, executive director of the American Municipal Association, wrote to Attorney General J. Howard McGrath on September 19 to enlist his "active assistance."

"From the experience of several mayors of our member cities," Chatters wrote, "there has recently emerged the necessity of dealing with organized crime on a national scale. The matter is important because it appears that crime syndicates are making an effort to control local politics in those municipalities where the public officials are most opposed to organized crime in all of its aspects.

"In some cases the mayors are threatened with recall, and in other cases it appears there is active political pressure prior to election.

"In any case the matter is too great to be handled by local officials alone, since the organized criminal element operates on a national scale across State boundaries."

Morrison Names Costello Head

Mayor DeLesseps S. Morrison of New Orleans, president of the American Municipal Association, was more specific in a statement issued a few days earlier. He named Costello as the head, or "reputed head," of a crime syndicate national and perhaps international in extent.

McGrath, replying to Chatters on October 21, said he was "deeply concerned" about the situation outlined, and added that he was not unmindful of his responsibility in regard thereto as Attorney General of the United States.

But he added:

"I do wish to point out, however, that before action can be taken by a Federal law enforcement agency there must be an allegation of a specific violation of a Federal statute within the prescribed jurisdiction of that agency."

McGrath urged the Nation's mayors to report any information coming to their attention of a violation of Federal statutes. These statutes cover income-tax violation, white slavery, traffic in narcotics, kidnaping, evasion of the immigration laws, and so on.

Accused of Nothing Specific

This calls to mind a seeming paradox in the case of Frank Costello: Generally, he is accused of tremendous things; specifically, of nothing—nothing, that is, which would justify a prosecutor in seeking an indictment.

This, as Costello says, is not because he has not been investigated. He has been, he says, and "by experts."

Frank Hogan, District Attorney of New York, and no admirer of Costello, told me that if he had anything on the gambler, he would not tell a reporter about it—but would seek an indictment, prosecute in court, and try and get a conviction.

Col. Garland Williams, head of the New York division of the Federal Narcotic Bureau, was quoted three years ago as saying that Costello was the kingpin of Harlem's modern Mafia or

WASHINGTON POST
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Costello: 'I Don't Operate Where I Am Not Wanted'

By Edward J. Talbert

New York—Frank Costello, granted No. 1 spot of the American underworld, has a favorite word—honest. He uses it over and over again, as persons being in compliance with law, as to what is and is not a crime, as to himself and most other persons and firms in the country's most successful operations.

Costello, who has been under fire from the Kefauver crime committee, which has been investigating interstate racketeering, was interviewed by this reporter in the Hotel Waldorf-Astoria, he said.

"I'm a gambler, and I don't operate where I am not wanted."

Costello, a native of Italy, came to the United States as a child. He didn't elaborate, explaining that he was in the position of telling all his business. His record, however, carried some obvious implications.

One, certainly, was that he would not operate in a particular locality unless the authorities—that he had a lease on a casino in Saratoga called Piping Rock and would I undertake running it?

I said I would be interested, didn't know [illegible] for it.

"A few days later he came to me and he says, 'well, he has some people interested, but they won't take 100 percent of it. I say, 'What have you left?' He says 30. . . .

"I said, 'Well, I will have 30 percent under one conditions. I will finance my 30 percent, but you will have to look after my interests, because I will probably never be up there. Being I trust the man, I gave him the money, and I have a 30 percent interest."

Costello was asked at the time what his profits were for the "season," which at Saratoga lasts just for the one month of racing.

"Oh, I would say $8500 to $10,500; I just don't recollect," Costello replied.

Very obviously this was small potatoes.

Costello, for all his talk about hazards and their avoidance, knows that there are hazards in his business; that a price has to be paid in one way or another.

A Maxim for the Trade

He has a maxim which he quotes for the fainthearted: "If you want to be a champ, you've got to expect a cauliflower ear."

Costello is far and away the champ in American's underworld today. He is, at least, if his stature be judged by power, prestige and the notoriety given him by crime-prevention agencies. Big-time publicity began to cause his way only about six years ago, and then because of his power in Tammany Hall and not because of any outright violation of the law. But he had been a big shot long, long before this. Mention of just one episode will be enough to prove it: he was one of those called in for help when Col. Charles A. Lindbergh turned, in desperation, to the New York underworld after the kidnaping of his baby son in 1932.

The smalltown ear in Costello's case is a sinister reputation, which he would give much to be rid of now that he has plenty of money and is eager for the respect of society's "best people." The label that hurts him most is "ex-convict." He thinks that it is unfair since it is based on something that happened in his youth—a year's sentence to the reformatory for carrying a gun, an offense listed as a misdemeanor. That was back in 1915, when he was 24. He has not been convicted of a crime since.

Nevertheless, in recent years, Costello has been given such forbidding titles as "Prime Minister of the Underworld," "America's No. 1 Gangster Boss" and "Public Enemy No. 1." There were [illegible] others, too, shorter and uglier, such as "thug." The most bitter of all attacks on Costello was uttered by the late Lewis J. Valentine, New York Police Commissioner, who said: "I wonder whether there is a place in hell hot enough for him."

A Regular at the Waldorf



Associated Press Wirephoto

Costello's gambling casino near New Orleans

. . . Main entrance of the Beverly Country Club, mayor, police chief or prosecutor—first gave him the green light.

Another was that of a man who, as he [illegible] was not persona grata in this country. That didn't mean that the residents of the community condoned gambling, were complacent about it, or also felt helpless to do anything about it.

Costello turned out to be an amiable boniface. He had agreed, through an intermediary, to see me, but with the understanding that only commonplace matters would be discussed. This was forgotten once we got onto the subject of his reputation, and brought up the popular image of him as an underworld potentate ruling over a great empire of crime.

"Well, here I am," he said smiling. "I'm eating a lamb chop. I'm not in jail.

"I don't sell Bibles, but all that stuff (about being a colossus) is a myth, a phony.

"I respect all my operations to the Government. If they want to see me about anything, all they have to do is tell me. I don't need any subpoena."

He scoffed at charges made a few months ago by Mayor de Lesseps Morrison of New Orleans, president of the American Municipal Association) that he was head of a "syndicate" that engineered the shooting of Mickey Cohen, Hollywood gangster.

"I've been in California once in my life, about eight or nine years ago," Costello said, "I never met Mickey Cohen, never heard of him."

Mayor Morrison, who forced Costello's slot machines out of New Orleans, also has charged that the New York gambler offered to put up $5 million of a campaign fund to defeat his administration. Costello smiled at this, saying he knew for a fact that Morrison had admitted privately that there was nothing to it.

He Denies Being 'Slot' Czar

And while he was about it, Costello stated that he had no gambling interests in Florida, nor [illegible] where the "hazards" are at a minimum—if [illegible] in certain areas.

Costello had one real surprise for me. "I had taken it for granted, from seeing it so much in print, that he was "the slot-machine king"—that there was no question about it. He maintained in effect that he had abdicated. He said that he never had operated the one-armed bandits anywhere except in New York and Louisiana. Now, he said, he has given them up entirely; *gave them up, in fact, more than three years ago.*

"I tell you what I'll do," he said. "Have you got some charity you like? Well, I'll give you $10,000 for it if you can find a slot machine that belongs to me."

George Wolf, Costello's attorney, who was having luncheon with us, cautioned the gambler at this point. He reminded him of a few slot machines he had turned over to friends, magazine editors and others who had installed them in their homes. It was agreed that these would not count in the $10,000 award.

Costello promised another $10,000 if the re-

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derworld—From Pg. 1

Costello 'Diplomat' of Gangland

which indeed he was in his rum-running days in the 1920's, when he could lose a two-million-dollar cargo of the real stuff and still keep going.

Costello's color was good and not altogether because he was fresh from the barber's chair. He had just returned from his favorite resort, Hot Springs, Ark., where he took the baths and played golf with his old friend, Owney Madden.

He chuckled delightedly as he talked about the metamorphosis of Madden, once known as "Owney the Killer," an Irishman who went to Sing Sing for murder, later became the most powerful of New York mobsters, and then went into retirement after marrying Agnes Demby, daughter of the Hot Springs postmaster.

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The talk kept getting back to Costello's reputation as the No. 1 figure in the American underworld. How did he acquire it, if, as he insisted, it was undeserved?

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Costello thought that one thing alone ought to dispose of the talk about his being a "superman" of crime. He pointed out that almost from the time his parents brought him from Italy, when he was 2 or 3 years old, he had lived within a radius of about 2 miles of where he now lives in New York.

In his boyhood, he lived in lower Harlem. Now he and Mrs. Costello have a seven-room apartment at 115 Central Park West, for which they pay $3600 a year. They also have a country place for weekends, a $30,000 home in fashionable Sands Point, Long Island.

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"Tough times make monkeys eat red pepper," he said.

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Likes Being Nice

He lighted up a fresh Parliament cigarette and went on to tell how his circle of friends widened steadily. He said he discovered that he got "a kick" out of being nice to people. And he said he discovered, also, that people were beginning to "respect" him.

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Despite the magnitude of his operations—it came out in court that he used a seaplane to hunt for his lost rum boats—Costello managed to stay out of the publicity glare that was then beating down on Big Bill Dwyer, Owney Madden, Waxey Gordon, Legs Diamond and the others.

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He was beginning to make contributions to politicians, too, and his power in Tammany was getting to be formidable.

Into Big Time

In 1932 Costello moved into the political big time, traveling to Chicago for the Democratic National Convention which was to nominate Franklin D. Roosevelt for the presidency. He shared quarters in the Drake Hotel with James J. Hines, powerful leader of Tammany Hall, the same Jimmy Hines who later was to be sent to prison by Racketbuster Thomas E. Dewey.

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Col. Henry Breckenridge, Lindbergh's attorney and close friend, overruled this advice. Thereafter, the elderly and eccentric school teacher, Dr. John F. (Jafsie) Condon met the kidnaper at an appointed place in the Bronx on a Saturday night and handed over $50,000. Bruno Richard Hauptmann, the kidnaper, was not caught until two years later.

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Fiorello LaGuardia, who became reform Mayor of New York in this period, declared war on Costello's slot machines. He called Costello a "bum," and in 1934 personally led police in ripping them out and dumping the machines in the sea.

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An unexpected ally appeared the following year.

"I was invited to come to New Orleans in the early part of 1935 by a man named Senator Huey P. Long," Costello was to testify later.

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Judge Wayne G. Borah, who presided at the trial, ruled that the Government had not presented convincing evidence, and directed the jury to return a not-guilty verdict. Incidentally, Morris Ernst, New York lawyer and publicist, was one of Costello's counsel.

(Tomorrow: Costello helps pick a judge, does a lift to a liquor company.)

Mr. Tolson
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Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

#2

—In Two Worlds—

Costello Now a Political Power, Gangland 'Diplomat,' Slot King

By Edward T. Folliard
Post Reporter

This is about three "tycoons."

The "tycoon" is the mid-century's contribution to the social order. He rules an empire partly inherited from the tycoons of the '20s and partly derived from the the goons of that era. But he is unlike the mobsters who reigned over gambling and other vices during prohibition. He operates a little outside the law, a little inside the law and generally alongside the law. He tries not to bother the law and tries to keep the law from bothering him. This is the third in a series of articles about three of the country's most successful tycoons.



Life Magazine Photo by Leonard McCombe

Frank Costello puffs a cigarette in downtown New York office building

New York.—Frank Costello came into the dining room straight from the barber shop, which is directly across the foyer. The first impression I got of him, therefore, was one of freshness and neatness. He was smiling; there was no swagger about him, and if there were any gorillas around, they certainly were not visible.

He is a man of medium height, about 5 feet, 8 inches, short-necked and wide-shouldered. His black hair, faintly streaked with gray, is brushed back in pompadour fashion from a narrow forehead.

His eyes are a deep blue, keen and friendly. He has a long nose and also a long jaw, maybe suggestive of strength.

Like many New Yorkers, he gets an "oi" into certain words, so that bird becomes "boid," girl becomes "goil," and verbal becomes "voibal." He has a pretty good vocabulary, however, and a directness that makes him easier to follow than, say, the better-educated Attorney Wolf. Not once in a long interview did he use profanity.

Costello was wearing a custom-made blue suit with a faint pin-stripe, a white shirt and polka-dot tie.

He might have been taken for an importer,

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(Tomorrow: Costello helps pick a judge, gives a lift to a liquor company.)

reporter was [illegible] know after that anything he said at the table [illegible] be [illegible] "And I don't [illegible]," he said.

Rebuke for His Psychiatrist

A man with good nerves, Costello was placid for the most part. Occasionally, though, he showed a flash of anger or burst into laughter.

He uttered a sharp rebuke for his psychiatrist friend, Dr. Richard Hoffmann of Park ave., who had been quoted as saying he advised the gambler to meet "all sorts of people"; he laughed over the case of an old pal, Owney (Killer) Madden, now a wife-bossed retired gangster down in Hot Springs, Ark., and he took a vehement crack at newspaper editors who printed things about him without first checking the facts.

Of all his statements, however, the most revealing seemed to be the one about not operating where he was not wanted.

Evidently, in Costello's view, all hazards must be absent in Jefferson Parish, just outside New Orleans. There he has his Beverly Country Club, one of the best-known gambling casinos in the country, operated for him by "Dandy Phil" Kastel, an alumnus of the Atlanta Penitentiary.

Costello acknowledged his interest in the Bev-

To top it all [illegible] California Commission on Organized Crime charged in a report last March that Costello was the "reputed head" of a national slot machine racket that took in 2 billion dollars a year and spent 400 million dollars a year for "bribery and corruption of public officials."

The commission cited no evidence that would justify an indictment, and Gov. Earl Warren ignored an offer by Costello to go to California and testify before any impartial body.

Costello talked about his reputation, sometimes with ironic bemusement, as he sat at his favorite table in the Norse Grill of the Waldorf-Astoria. He seemed very much at home, and wondered aloud why anybody should be surprised at his being a Waldorf regular. He said he used to patronize the old Waldorf on Thirty-Fourth st. and he recalled seeing many notables there, including the Prince of Wales (now the Duke of Windsor).

How, he seemed to be asking, could he be such a dreadful fellow—a "Dracula," as he put it—and still be at large; not only be at large, but be here in this world-famous place with his Martini, his French lamb chops and his baked Idaho potato?

Tomorrow: Costello Gets Next to Big-Time Politics and Finds an Ally in Huey Long.

[illegible] Lay-Away Plan

NEW YORK AVE., between 13th and 14th

"Every Auto Service"

CAPITAL GARAGE

IT COSTS NO MORE TO PARK AT THE

NOT

In Two Worlds

Costello: 'I Don't Operate Where I Am Not Wanted'

By Edward T. Folliard
Post Reporter

This is about Frank Costello, the "Prime Minister" of the underworld, a contribution to the social order. He rules an empire partly inherited from the tycoons of the '20s and partly derived from the genius of Costello himself. He operates unlike the mobsters who reigned over gambling and other vices during prohibition. He operates a little outside the law, a little inside the law and generally alongside the law. He tries not to bother the law and tries to keep the law from bothering him. This is the second in a series of articles about three of the country's most successful gangsters.

New York—Frank Costello, so-called No. 1 man of the American underworld, has a favorite word—heard. He uses it over and over again, his purpose being to emphasize that he is not one to take crazy risks or bump his head needlessly against the wall of authority.

He summed it all up in a single sentence in a talk with this reporter. Leaning across a table in the Hotel Waldorf-Astoria, he said:

"I'm a gambler, but I don't operate where I'm not wanted."

Costello, who began life in Italy 56 years ago as Francesco Castiglia, didn't elaborate, explaining that he had no intention of telling all his business. His remark, however, carried some obvious implications.

One, certainly, was that he would not operate in a particular locality unless the authorities—mayor, police chief or prosecutor—first gave him the green light.

Another was that the atmosphere had to be, if not congenial, at least not too hostile. This would mean that the residents of the community condoned gambling, were complacent about it, or else felt helpless to do anything about it.

Costello turned out to be an amiable luncheon host. He had agreed, through an intermediary, to see me, but with the understanding that only commonplace matters would be discussed. This was forgotten once we got onto the subject of his reputation, and brought up the popular image of him as an underworld potentate ruling over a great empire of crime.

"Well, here I am," he said smiling. "I'm eating a lamb chop. I'm not in jail.

"I don't sell Bibles, but all that stuff (about being a colossus) is a myth, a phony.

"I report all my operations to the Government. If they want to see me about anything, all they have to do is tell me. I don't need any subpoena."

He scoffed at charges made a few months ago by Mayor de Lesseps S. Morrison of New Orleans, president of the American Municipal Association) that he was head of a "syndicate" that engineered the shooting of Mickey Cohen, Hollywood gangster.

"I've been to California once in my life, about eight or nine years ago," Costello said. "I never met Mickey Cohen, never heard of him."

Mayor Morrison, who forced Costello's slot machines out of New Orleans, also has charged that the New York gambler offered to put up 50 percent of a campaign fund to defeat his administration. Costello smiled at this, saying he knew for a fact that Morrison had admitted privately that there was nothing in it.

He Denies Being 'Slot' Czar

And while he was about it, Costello stated that he had no gambling interests in Florida, one place where the "hazards" are at a minimum—that he had a lease on a casino in Saratoga called Piping Rock and would I undertake to finance it?

"I told him I was not interested, didn't have the time for it.

"A few days later he came to me and he said, well, he had some people interested, but they won't take 100 percent of it. I say, 'What will you left?' He says 50.

"I said, 'Well, I will finance my 50 percent on one condition. I will finance my 50 percent but you will have to look after my interest because I will probably never be up there. I don't trust the man, I gave him the money, I have a 50 percent interest.'"

Costello was asked at the time what his profits were for the "season," which at Saratoga is just for the one month of racing.

"Oh, I would say $8500 to $10,500; I just recollect," Costello replied.

Very obviously this was small potatoes.

Costello, for all his talk about hazards and their avoidance, knows that there are hazards in his business; that a price has to be paid one way or another.

A Maxim for the Trade

He has a maxim which he quotes for the benefit hearted: "If you want to be a champ, you have to expect a cauliflower ear."

Costello is far and away the champ in New York's underworld today. He is, at least if stature be judged by power, prestige and notoriety given him by crime-prevention agencies. Big-time publicity began to come his way about six years ago, and then because of his power in Tammany Hall and not because of outright violation of the law. But he has been a big shot long, long before this. Most likely just one episode will be enough to prove it. He was one of those called in for help when Charles A. Lindbergh turned, in despair, to the New York underworld after the kidnaping of his baby son in 1932.

The cauliflower ear in Costello's case



Associated Press WIREPHOTO

Main entrance of the Beverly Country Club, Costello's gambling casino near New Orleans

Costello had one real surprise for me. I had taken it for granted, from seeing it so much in print, that he was "the slot-machine king"—that there was no question about it. He announced in effect that he had abdicated. He said that he never had operated the one-armed bandits anywhere except in New York and Louisiana. Now, he said, he has given them up entirely; gave them up, in fact, more than three years ago.

"I tell you what I'll do," he said. "Have you got some charity you like? Well, I'll give you $10,000 for it if you can find a slot machine that belongs to me."

George Wolf, Costello's attorney, who was having luncheon with us, cautioned the gambler at this point. He reminded him of a few slot machines he had turned over to friends, magazine editors and others who had installed them in their homes. It was agreed that these would not count in the $10,000 award.

Costello promised another $10,000 if the reporter was able to show later that anything he said at the table was a lie.

"And I don't renege," he said.

Rebuke for His Psychiatrist

A man with good nerves, Costello was placid for the most part. Occasionally, though, he showed a flash of anger or burst into laughter.

He uttered a sharp rebuke for his psychiatrist friend, Dr. Richard Hoffmann of Park ave., who had been quoted as saying he advised the gambler to meet "nice people"; he laughed over the case of an old pal, Owney (Killer) Madden, now a wife-bossed retired gangster down in Hot Springs, Ark., and he took a vehement crack at newspaper editors who printed things about him without first checking the facts.

Of all his statements, however, the most revealing seemed to be the one about not operating where he was not wanted.

Evidently, in Costello's view, all hazards must be absent in Jefferson Parish, just outside New Orleans. There he has his Beverly Country Club, one of the best-known gambling casinos in the country, operated for him by "Dandy Phil" Kastel, an alumnus of the Atlanta Penitentiary.

Costello acknowledged his interest in the Bev-

Tomorrow: *Costello Gets Next to Big-Time Politics and Finds an Ally in Huey Long.*

ister reputation which he would give much to be rid of now that he has plenty of money and is eager for the respect of society's "best people." The label that hurts him most is "ex-convict." He thinks that it is unfair since it is based on something that happened in his youth—a year's sentence to the reformatory for carrying a gun, an offense listed as a misdemeanor. That was back in 1915, when he was 24. He has not been convicted of a crime since.

Nevertheless, in recent years, Costello has been given such forbidding titles as "Prime Minister of the Underworld," "America's No. 1 Mystery Man," and "Public Enemy No. 1." There have been others, too, shorter and uglier, such as "thug." The most bitter of all attacks on Costello was uttered by the late Lewis J. Valentine, New York Police Commissioner, who said: "I wonder whether there is a place in hell hot enough for him."

A Regular at the Waldorf

To top it all off, the California Commission on Organized Crime charged in a report last March that Costello was the "reputed head" of a national slot machine racket that took in 2 billion dollars a year and spent 400 million dollars a year for "bribery and corruption of public officials."

The commission cited no evidence that would justify an indictment, and Gov. Earl Warren ignored an offer by Costello to go to California and testify before any impartial body.

Costello talked about his reputation, sometimes with ironic amusement, as he sat at his favorite table in the Norse Grill of the Waldorf-Astoria. He seemed very much at home, and wondered aloud why anybody should be surprised at his being a Waldorf regular. He said he used to patronize the old Waldorf on Thirty-Fourth st. and he recalled seeing many notables there, including the Prince of Wales (now the Duke of Windsor).

How, he seemed to be asking, could he be such a dreadful fellow—a "Dracula," as he put it—and still be at large; not only be at large, but be here in this world-famous place with his Martini, his French lamb chops and his baked Idaho potato?

Costello and the Dentist

Frank Costello's importance keeps popping up in the oddest places. The story that Costello was a patient of a politico-dentist was quite enough to knock the latter out of a neat job as superintendent of the United States Assay Office. President Truman had already nominated the dentist, Dr. Charles L. Singer, on recommendation of somebody in the Democratic party organization in New York. Not that Dr. Singer had any exact qualifications, although he did serve twice in the Electoral College, which would tend to show that he had connections. It was obviously a political appointment; Dr. Singer needed to be recognized, and why shouldn't a dentist make an assayist? But when the suggestion of Costello got to the confirming body of the Senate, the good Dr. Singer was finished. His name was abruptly withdrawn.

Now this is no place to end the story. If Frank Costello failed to promote this appointment, then every Democrat involved owes an apology to Dr. Singer. And if Frank Costello was indeed responsible for a piece of patronage routine, then a lot of people in New York and other points would like to know what is the strange source of power in this ex-convict and pal of Capone and Luciano who has made a fortune out of bootlegging, horse-gambling and slot machines. If Frank Costello is the boss of Tammany Hall, or even the assistant boss, the people ought to know it.

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G.I.R. - Re Joe Fusco Costello's mail

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N. Y. Herald Tribune

DATED MAR 30 1949

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51 MAY 6 1949

Mr. Tolson
Mr. Clegg
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Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Frank's Poor Costello

This man Costello doesn't know his own strength. The poor struggling soul has no influence; he can't even fix a traffic ticket for himself. This, of course, is the great bond of metropolitan humanity. In his increasing genius for self-belittlement, Costello hastens to tell Governor Warren and the California Commission on Organized Crime about his respectability. The man, as we have been so often assured, is the misunderstood victim of a bad press.

Here in New York we are quite familiar with the Costello saga, the transformation of a pistol-toter, bootlegger, gambler and gangsters' associate who had a passion for acceptance by the "better people," as he calls them, and actually made the grade. It is to be assumed, at least, that a slot-machine tycoon who can command a hundred-odd of Tammany Hall's chief ornaments, even to Supreme Court justices, to a $100-a-plate charity dinner at the Copacabana, has indeed arrived. To some this celebrated episode may have seemed chiefly an unsavory demonstration of political power, but we prefer to think that the host considered he was on the top rung of respectability.

The painful part is that Costello should constantly write himself off as inconsequential. We expect better of a man who testified under oath in 1943 that he dictated to Tammany. This is the individual who knew Capone, Lepke and Luciano, and who could order the promotion of an old friend over all obstacles to the New York Supreme Court. What palaver is this now that Frank Costello, whose nod has made Tammany bosses and Supreme Court justices, is helpless before a traffic ticket?

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52 APR 1 1949

FRANK COSTELLO

Costello Denies Racket Charge With Modesty

In Rejoinder to California He Says He Can't Even Fix a Traffic Ticket

By John H. Durston

There isn't a word of truth in it. That was Frank Costello's reply yesterday to the California charge that he is the "reputed head" of a national $2,000,000,000-a-year slot machine syndicate that spends $400,000,000 every twelve months bribing public officials and is allied to the remnants of Brooklyn's Murder, Inc., gang. In fact, he said, he hasn't influence enough to fix a traffic ticket.

Costello—the name he was born with has been rendered at various times and in various circumstances as Saverria, Castiglia, Castello, Saverio, Castellano or Stello—made his denial in a letter to Governor Earl Warren of California. The letter was distributed to the newspapers by Mr. Costello's lawyer, George Wolf, of 30 Broad Street. A postscript explained that it was being made public because of the widespread publicity given to the charges against Costello by the California Commission on Organized Crime.

Besides denying that he had even heard of such a national racket, Costello's letter made pass-

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Costello Denies

(Continued from page one)

ing reference to the political activities of Clendenin Ryan, who has imputed an association between Costello and Mayor William O'Dwyer. Such imputations, he said, were "false and fantastic," designed to make a "whipping boy" of him.

"Governor," Costello wrote, "the truth is that I have so little influence over officials and judges in New York City that I can't square a traffic ticket for myself."

The California commission, which is headed by Admiral William H. Standley, former Ambassador to Russia, said on Friday in its report that racketeers were beginning to cast longing eyes on California's lush fields and that Frank Costello was among their leaders. "Bugsy" Siegel, who was shot to death on June 20, 1947, in Beverly Hills, was a Costello associate, the commission charged.

Such accusations, Costello said in his letter to Governor Warren, were "unfounded, false and fantastic," products of the commission's "inaccuracies, deliberate mispresentations or amateurish detective investigations."

Tired of Being "Target"

"Ordinarily," he wrote, "I would have ignored such accusations, as I have in similar instances in the past. However, my attitude of continued silence evidently has given rise to the belief that I may be safely used as a target by any individual whose gun is primed with a powder of political ambition and that I may be falsely and indiscriminately attacked without regard to the accepted rules of fair play or decency."

The reference in the letter to Mr. Ryan's activities mentioned no name, describing Mr. Ryan only as "a resident of the quiet, orderly New Jersey town" who had been "finding life particularly dull" and "sought escape from his boredom in the exciting sphere of politics."

"He, too, like your commission," the letter said, "feeling smugly secure in the belief that I would be silent—made false and fantastic accusations—charging that I controlled Tammany Hall, that I was intimate with the Mayor and secretly gave orders to him. These statements were false and the man who made them knew them to be false."

"Faint Though Dismal Hope"

Costello said he was going to put himself on record "in the faint though dismal hope that no future charges will be made against me unless they are true—or at least fairly well considered." He recalled he had been described as a member of Murder, Inc., as Head of the Italian Black Hand or Unione Siciliano or Mafia in the United States and as administrator of a monster bribery fund.

"In fact," he wrote, "I am reputed by your commission to have more heads than that deformed physical specimen reported to be preserved in alcohol in a leading California medical school."

He said it was "fantastic" for the California commission to accuse him of charges which no Federal or other governmental agency had been able to prove.

"And, Governor," he said, "it isn't because of I haven't been investigated—because I have been, and by experts."

Denies Warren's Charges



Herald Tribune—Acme
Frank Costello

Tells of Bootlegging Career

Costello admitted, with regret, that he did have a police record.

"Over thirty-five years ago," he said, "I pleaded guilty to a misdemeanor charge of possessing a pistol and served ten months in jail. During prohibition I was a bootlegger, contrary to a law which was later repealed. I am not particularly proud of it—but not quite so ashamed as I might be, had not a nation of voters agreed with me. Also, for several years prior to 1933 and for several years prior to 1947, I had an interest in a concern that operated vending machines, the operations being confined to two cities far distant from California—and having no connection with any other similar enterprise—directly or indirectly."

This version of his conviction on a pistol charge has the date wrong and skips over a few details. Actually, the incident occurred in 1915, Costello then being twenty-three and using the name of Saverio. Judge Edward Swann, in General Sessions, sentenced him to a year in the penitentiary and had some harsh words to say when Costello asked for mercy. The judge said he had looked him up and found his reputation was "no good." Costello, he said, had the reputation of being a gunman.

Costello also denied in his letter that he had anything to do with *the Mafia or with any fund for* bribery, or that he had been in San Francisco, as the commission said, last February or that he was anything, in fact, but a simple man.

"Content With Modest Income"

"Reports of my fabulous wealth and princely income are—unfortunately—myths—the digits multiplying with each story-teller. I am content with my modest means and my modest income," he wrote.

Costello said that if Governor Warren would cast off his "cloak of such distant immunity" and furnish some "vestige of credible proof," (Costello) he would go to California and waive immunity in an investigation by "any fair, impartial politically independent" committee.

"I know that I have not always lived a righteous life," he wrote, "but even a former bootlegger has the right to fair consideration from a man who was honored by the nomination for the office which is heart-beat distance from the Presidency of the United States—on even a losing ticket. It is not the way of our land—so they tell me—to be falsely accused and then convicted without fact and hearing."

Discrepancies Noted

Costello's professions of lack of influence were hardly borne out when he gave a dinner at the Copacabana on Jan. 24 for the Salvation Army campaign and had as his guests Borough President Hugo E. Rogers of Manhattan, five Supreme Court justices, several Tammany Hall bigwigs, a Congressman, some other judges and a variety of other figures. According to one version of the party, he gave the dinner not so much in the interest of sweet charity as from a desire to prove to the underworld that [illegible] brass can [illegible]

His ability to get the support of politicians was demonstrated previously in 1943 [illegible] admitted [illegible]

some of Tammany's highest leaders asked his advice [illegible] such matters as naming [illegible] Court candidates. This was br[illegible] out in the course of an in[illegible] into the charge that Costell[illegible] held Michael J. Kennedy, Tammany boss, to a promi[illegible] run Thomas A. Aurelio, a n[illegible] trate, for the Supreme Court testimony that was taken in [illegible] ceeding to disbar Mr. A[illegible] showed that Costello had friendly with almost every u[illegible] world big shot of the Al C[illegible] days and before and since. admissions, however, were p[illegible] down as being part of a pa[illegible] had left behind. His present [illegible] tion, he said, was to know the better people.

"And nothing but the bette[illegible] added.

Made Pact With Huey Lo[illegible]

Information about Cost[illegible] early days is scanty. He was to have been born in 188[illegible] Calabria, Italy. After comin[illegible] the United States he serve[illegible] apprenticeship in Greenwich [illegible] lage and Hell's Kitchen in ass[illegible] tion with the old Gopher Hudson Duster gangs. When

Costello Blasts Accusers

Frank Costello, slot-machine czar, in a rare public announcement today denied all charges against him.

In a letter to Gov. Warren of California, he branded as "false and fantastic" allegations that he controlled Tammany Hall and was a close friend of Mayor O'Dwyer.

He asserted in the letter, dated today and released by his attorney, that statements made against him by Clendenin J. Ryan, leader of the "good government forces" here, were without foundation.

In his three-page letter, Costello said:

"I have never even heard of the existence of a national slot machine racket. The truth is that I have so little influence over officials and judges in New York City that I can't even square a traffic ticket for myself."

Costello was accused by the California Commission On Organized Crime last week of heading a syndicate which had an annual turnover of $2,000,000,000.

Costello also denied in the letter that he was linked with the Mafia, with "Murder, Inc.," or with the slot machine industry in California."

He wrote:

"Connecting my name with the Mafia and with Murder, Inc., is vicious and ridiculous and I deny that I was ever directly or indirectly connected with either or any similar organization.

"I know that I have not always lived a righteous life, but even a former bootlegger has the right to fair consideration from a man who was honored by the nomination for the office which is a heart-beat distant from the Presidency of the United States even on a losing ticket.

"It is not the way of our land, so they tell me, to be falsely accused and then convicted without facts and hearing."

"Federal, State and municipal officers and a Congressional investigating committee—with fangs bared—have been over my life and activities with a fine tooth comb, because I have not always been an angel.

"But I have been tried and acquitted of Federal income tax charges. In your position, you must know that when the Federal government investigates and doesn't convict, there just isn't any firm basis for the charge."

Earlier, the gambler was asked if he had "suggested" the explosive wiretapping case under investigation.

That and five other written questions were submitted to Costello by reporters at his apartment, 72d st. and Central Park W.

The other five queries left for Costello today were:

Do you exert any influence on Mayor O'Dwyer, as charged? ...

Do you exert any influence on Tammany Hall decisions?

Have you any financial interest in the Copacabana (night club which Ryan claims is run by Costello)?

Did you send Mayor O'Dwyer free meals from the Copacabana, as charged?

How do you feel about the accusations made against you by Ryan? Are any of them true?

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
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5 APR 29 1949

Frank Costello Puts a Yen for Respectability

ROBERT [illegible]
United Press Staff Correspondent

NEW YORK, March 14—As he steps from his luxurious $300-a-month apartment about mid-morning every day Frank Costello looks so much like a dapper, aging businessman it is hard to fit him into his reputation as absolute czar of the nation's rackets.

But this quiet, medium-sized man of 56 has been described by Federal and local investigators as an underworld boss whose power and revenues dwarf the scope and take of the Al Capone mob.

The reputation is distasteful to him.

He would like to be known as a politician, or a real estate operator (he is president of a company which owns a building valued at $600,000) or a sportsman, because of his interest in horse racing.

MANY CHARITIES

He would be overwhelmed, and even touched, because he has a sentimental streak, at being considered a philanthropist. He gives lavishly to charities—sometimes embarrassing the charity.

But the newspapers this week almost ruined his preparations to spend a few days at his estate in Long Island's millionaire row. Last Wednesday a civic crusader, Clendenin Ryan, demanded that Mayor William F. O'Dwyer say whether Costello was the actual boss of the city. And last Friday the California commission on organized crime named him as overlord of the $2,000,000,000-a-year slot machine racket.

LIGHT APPETITE

These reflections on his character sadden Costello and he is apt to only peck at the light lunch he invariably orders in a midtown hotel where he also undergoes a daily barber shop ritual of shave, massage, sun-lamp, et cetera—"the works"—when he is in town.

Friends of Costello's rarely discuss him. They refer to him respectfully as "The Prime Minister," a term which stems from the fact he often presides at "cabinet" meetings of associates from other cities—notably Chicago, Miami, Los Angeles and New Orleans.

CITIZEN IN 1925

But this much is known:

He was born in Italy in 1891, was brought to the United States in 1895 and was naturalized in 1925. He got his start in the Greenwich Village and Hell's Kitchen districts of New York and graduated to an association with Joe (The Boss) Masseria, who dominated the Sicilian Black Hand gangs of the 1920s.

His friends at that time were Charles (Lucky) Luciano, now in exile in Italy, and Joe Adonis, who reputedly has millions invested in legitimate businesses—some of it for Costello. In 1931 Luciano took Masseria out to dinner and excused himself so he could wash his hands. While he was gone gunmen murdered Masseria. Costello moved up after that.

ONE CONVICTION

In 1915 he was convicted of carrying a gun, during a tense period when the control of the Mafia and the Unione Siciliane gangs was being fought out. That arrest 35 years ago tomorrow led to the only conviction on his record. He was sentenced to a year in prison.

Costello is noted in the underworld for his organizational ability and his gradual shifting of investment from illegal to legitimate enterprises. His "combination" is believed to own hotels, financial district buildings, well-known business firms and even defense plants.

LOST $27,000 IN CAB

Altho he tries hard to avoid publicity he seems to have an unwelcome flair for getting on Page One. Five years ago he forgot a package containing $27,000 in cash in a taxicab. He claimed it was a gambling win. Then he paid a tax lien by appearing at the state auditor's office and peeling off 20 $1000 bills from a robust roll of similar notes.

A few months ago he quietly—he thought—became vice president of a fund-raising campaign for the Salvation Army and gave a $100-a-plate dinner at the Copacabana Club. Four state supreme court justices were among those present. Costello collected more than $10,000 for the Salvation Army but resigned his post because word of the dinner leaked out.

NARCOTICS

The Federal Bureau of Narcotics jerked him out of months of comparative obscurity in 1946 by charging he headed the nation-wide dope ring and operated thru a syndicate called the "Combination" in New Orleans, Kansas City, Chicago, Detroit, Buffalo, Tampa, Las Vegas, Los Angeles and Miami.

Costello once tangled with President Roosevelt in the selection of a Democratic candidate for State Supreme Court Justice in New York—and Costello's candidate won. After the selection of Justice Thomas A. Aurelio, wire tappings were published showing that Costello phoned his candidate and said:

"When I tell you something is in the bag, you can rest assured."

A PLEDGE

Aurelio replied pledging "undying loyalty."

Costello almost always dines with his wife, Loretta. He brushes his gray-tinged black hair straight back and is inordinately proud of his small feet. He wears expensive custom-made shoes.

He occasionally visits a psychiatrist. His phones have been tapped for years—and he knows it.

He says he simply cannot understand everybody's interest in his private affairs.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
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WASHINGTON NEWS
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Costello Denies All, Invites Warren Quiz

Letter to Governor Brands California Charges Fantastic

Branding the charges made against him by the California Commission of Organized Crime as unfounded, false and fantastic, Frank Costello today offered to waive immunity and go to California at his own expense, if "any vestige of credible proof" to the charges is found.

In a three-page letter to Gov. Earl Warren of California, Costello said it has become a common practice to make a whipping boy of him, and that he's tired of it. The letter was released by Costello's attorney, George Wolf, 30 Broad St.

Makes Itemized Denial.

Taking each accusation separately, he denied the widely circulated charges that he is head of the slot machine racket in the United States; a member of Murder, Inc.; head of the Italian Black Hand organization, the Mafia, or distributor of $400,000 annually in bribes to public officers.

"It is fantastic your commission could even accuse me of charges that no investigating body has ever uncovered," Costello's letter said. "And I've been investigated by experts. Federal, state and municipal officers and a Congressional investigating committee—with fangs bared—have been over my life with a fine tooth comb—because I have not always been an angel."

Costello admitted to a criminal record that includes pleading guilty to possessing a pistol over 35 years ago and being a bootlegger during prohibition. For several years, too, he had an interest in a concern that operated vending machines in two cities far from California.

Freed on Tax Charge.

"I was tried and acquitted on a federal income tax charge," Costello wrote. "The judge didn't even let the case go to the jury. Reports of my fabulous wealth and princely income are—unfortunately—myths. I am content with my modest means and modest income."

The charges made against him could not be substantiated by any fair enforcement agency in this country, including California, Costello said. "Therefore, may I vigorously deny that I have ever been connected, directly, indirectly or even by telepathy, with any business or enterprise in California, including slot or vending machines."

Not only was he not in San Francisco in December, 1948, he has never been there, Costello wrote. He has been in California only once, years ago, when he was in Los Angeles, he said.

Says He's Surprised.

It came as a surprise to him to hear of the existence of a national slot machine racket, Costello's letter said and connecting his name with the Mafia or Murder, Inc., is vicious and ridiculous.

In making his offer to go to California, Costello said that Gov. Warren never made a fairer offer in a campaign speech or ever had as much at stake in one.

"I know I have not always lived a righteous life," he concluded, "but even a former bootlegger has the right to fair consideration from a man who was honored by the nomination for the office which is heart-beat distance from the Presidency of the U.S. It is not the way of our land—so they tell me—to be falsely accused and then convicted without fact or hearing."

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Costello Says His 'Influence' Couldn't Fix a Traffic Ticket

By the Associated Press

NEW YORK, Mar. 14.—Frank Costello, a gambling figure, said today he had so little influence in New York that "I can't square a traffic ticket for myself."

Charges that he controls Tammany Hall and is "intimate" with Mayor William O'Dwyer are "false and fantastic," Costello said.

His statements were contained in a letter addressed to Gov. Warren of California. It was in reply to charges made against him by the California Commission on Organized Crime.

The letter was made public here by Costello's lawyer, George Wolf.

Costello accused the California Commission and Clendenin J. Ryan, wealthy New York civic reformer, of using him "as a whipping boy."

The California Commission charged that a National slot machine racket was spending $400,000,000 a year for bribery and corruption of public officials. It linked Costello with the leadership of the racket.

Mr. Ryan publicly has asked Mayor O'Dwyer of New York what influence Costello has with his administration and Tammy Hall.

"These statements were false and the man who made them knew them to be false," Costello said.

Admitting that "I have not always lived a righteous life," Costello denied any connection with Murder, Inc., or with the slot machine industry in California."

The crime commission claimed that the slain Benjamin (Bugsy) Siegel was " a Costello associate and at the time of his death the West Coast representative of 'the Combination' and 'Murder, Inc.'"

Siegel was shot to death in Beverly Hills, June 20, 1947.

"Until your commission reported," Costello's letter went on, "I had never even heard of the existence of a national slot machine racket or combination, and was never connected, directly or indirectly."

Costello offered to waive immunity and go to California to "face any fair, impartial, politically independent committee of Californians" if Gov. Warren can furnish any proof, "however slight," of the Crime Commission charges.

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California Probers Charge:

Slot Machine Racket Yields Costello Ring $2 Billion a Year

By Charles E. Davis, jr.,
Post Reporter

Racketeer Frank Costello of New York is reputed boss of the national slot-machine racket which yields at least two billion dollars annually.

This claim was made yesterday in a report by California's Commission on Organized Crime, an investigative body headed by retired Admiral William H. Standley, former United States Ambassador to Russia.

The commission, reporting to Gov. Earl Warren, found that:

1. Nation-wide slot machine interests are organized in a grand scale "criminal conspiracy" to buy off Government officials—or purge them.

2. Washington is the headquarters for one national organization of slot machine operators.

3. Slot machine racketeers throughout the Nation are spending about 400 million dollars annually for bribery and corruption of public officials.

The investigation into organized crime in California has brought about a bitter feud between Governor Warren and Attorney General Fred Howser, the Governor openly accusing Howser of not doing everything possible to squelch the rackets.

Howser snapped back with a vigorous denial. Yesterday, he charged Warren with tolerating slot machines when he (Warren) was Attorney General of California from 1938 to 1942.

The California Commission bases its estimate of a two-billion-dollar gross by slot machine interests on a study made by the Chicago Crime Commission for the year 1939.

It cites, however, a recent article in *Collier's Magazine* by Norman and Madelyn Carlisle, in which the figure is placed at three billion dollars.

In the same article, it was claimed that in a single year Costello had collected 33 million dollars personally from the racket.

Who is Costello? In the words of the California commission he is "a former convict and a big time racketeer."

"He is said to be," asserts the report, "the present head of the great underworld organization, with headquarters in New York, which is called by its own members 'The Combination.' The so-called 'Murder, Inc.,' is the enforcement branch of this organization.

"Costello also heads the Italian Black Hand organization known as 'The Unione Siciliana' or the 'Mafia.' He has been described by Virgil W. Peterson, operating director of the Chicago Crime Commission, and others, as 'the lord

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CRIME —From Page 1

of the underworld of the entire United States.

"He is one of the big political powers in Tammany Hall and does not hesitate to take a personal part in municipal, State and even national politics."

The California Commission says the slot machine played a major part in Costello's rise to eminence in the rackets. He was a lieutenant of Arnold Rothstein, the gambler and internationally known trafficker in narcotics and prostitution who was murdered by gangsters in New York on November 4, 1927.

Worked for Rothstein

Costello was handling the slot machine racket for Rothstein when the latter was slain. He took it over for himself. Later, plagued by attacks by the late Mayor LaGuardia of New York, Costello transferred his activities to Louisiana.

According to the Chicago Crime Commission, Costello, an "intimate friend of Al Capone, Arnold Rothstein, Dutch Schultz and similar gangsters," was imported from New York by the late Huey Long to take over the slot machines in New Orleans.

While a grand jury was in the process of indicting some of Huey's henchmen on income-tax evasion charges, Costello told the grand jury that Huey had picked him to be the "lucky one" to install and operate slot machines in New Orleans.

"Benjamin 'Bugsy' Siegel, who was [illegible] to death in Beverly Hills, Calif[illegible]ure 20, 1947, was a Costello [illegible] according to the California [illegible]mission, 'and at the time of his death the West Coast representative of 'The Combination' and 'Murder, Inc.'"

In New York, Costello was not available but his lawyer, George Wolf, said the California Commission's report doesn't interest me in the slightest."

The lawyer said he wouldn't contact Costello for comment because the matter "has no bearing on our relationship."

Called "Capone Syndicate"

"The Combination" is also often referred to as the "Capone Syndicate."

The commission says the true relationship between these gangsters and the slot machine manufacturers, distributors, operators and their trade associations is not known, but it does appear certain that the distribution and operation of slot machines is wholly in the hands of racketeers in all parts of the country.

New Unit Operates Here

However, the slot-machine people are well organized, the California investigative body found. The report says a national organization with headquarters in Chicago does practically all of the organizational work in the slot-machine racket.

The report also says that an organization of machine operators, a comparatively new organization, is now operating here in Washington.

The commission reports the Chicago organization held its annual convention and show in Chicago in January, and the convention was attended by "undercover investigators" for the commission.

In advertising its convention to [illegible]rade, says the report, the organization laid great stress on the fact that the staff of its legal department would be available for personal conferences during the three days of the convention.

"These legal conferences," the commission asserts, "proved to be real seminars in the corruption of public officers. Matters discussed included the best way of paying graft to law-enforcement officers."

Alternatives Argued

"Several alternative methods were seriously argued, such as (1) the payment of a flat sum periodically; (2) 'cutting in' public officers for a percentage of the operation, and (3) heavy 'campaign contributions' both before and after election.

"Ways and means were considered of removing various State and local officers who are considered stumbling blocks in the way of the 'industry.'

"From these extraordinarily frank discussions of corruption the commission's investigators ascertained that it is the common practice of slot-machine operators throughout the country to pay 10 to 20 per cent of their gross profits for protection and graft, although the method of payment varies according to local circumstances."

From this, the commission estimates the slot machine racketeers are spending 400 million dollars annually for bribery and corruption of public executive officers, and additional large amounts are being spent on a corps of lobbyists and a legal and public relations staff.



FRANK COSTELLO
Slot machine czar

Boasted of Influence

The report says commission investigators were present when the Chicago organization held its convention banquet in January, at which time a member of the delegation from California asked for political retaliation by the organization against Governor Warren and Mayor Fletcher Bowron of Los Angeles.

The delegate declared, the report says, that the first task for the organization and the slot machine men in California was to "remove persons such as the State's Governor and the Los Angeles Mayor from public life."

The commission says that later, in a private conversation with one of the commission investigators, the legal counsel of the organization boasted of "a pipeline into every State Capitol as well as the National Capitol."

The evidence makes it clear, says the commission, the organization is engaged in "the furtherance of a criminal conspiracy on a grand scale. The organization and its members are engaged in a planned assault on all branches of Government—executive, legislative and judicial alike."

The organization's plan and its technique of buying and selling executive, legislative and judicial officers "is the perfect blueprint for plutocratic gangster government," the commission says.

The California commission reports it is opposed to licensed, legalized slot machines, pointing out that the slot machine racket has been "a principal factor in political corruption and gang warfare" and "has trained children and juveniles in the ways of the gambler."

To suppress the slot-machine racket in California, the commission recommends:

1. Amendment of the State penal code to make unlawful the possession of a slot machine, or other mechanical gambling device with automatic payoff, without the necessity for evidence showing that the machine involved was used for gambling in any particular instance.

2. An amendment to the penal code to outlaw slot machines awarding free games.

3. Enactment of a new statute which would permit revocation of the license of any licensed business if slot machines or other gambling devices were allowed to operate on the premises.

Washington Post
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MAR 1 8 1949

Charge Costello Rules California Rackets

SACRAMENTO, Cal., March 11 (INS).—Gov. Earl Warren's Crime Commission today charged that Frank Costello of New York and the Capone syndicate of Chicago control California's slot machine racket.

The commission, in another lengthy progress report to Warren and the California Legislature, also charged the Capone group controls organized horse-race bookmaking throughout the nation.

And because of these sinister ramifications, the commission wound up its 58-page report with an urgent plea to the Legislature to enact an anti-slot-machine law that will "wipe out the growing evil."

The crime commission, which is headed by Admiral William H. Standley, retired, former Ambassador to Russia, and whose counsel is Warren Olney III, declared the "reputed head" of the nation-wide slot machine racket is Frank Costello.

Then the fact-finding group added:

"Costello's continuing interest in California is perhaps indicated by his reported presence in San Francisco as recently as Dec. 8, 1948."

"Benjamin "Bugsy" Siegel, who was shot to death in Beverly Hills, Calif., June 20, 1947, was a Costello associate.

"Costello is an ex-convict and a big-time racketeer.

"He is said to be the present head of the great underworld organization, with headquarters in New York, which is called by its own members, 'the combination.'

"Costello also heads the Italian black hand organization, known as 'The Unione Siciliana' or 'Mafia.' He has been described by Virgil W. Peterson, operating

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Costello Rules U.S. Rackets, Coast Reports

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"He is one of the big political powers in Tammany Hall and does not hesitate to take a personal part in municipal, State, and even national politics."

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Journal American
DATED MAR 11 1949
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Old Indictment Put on Calendar After Four Years

Case Involving Bankruptcy Hearing Had Been Overlooked

By WILLIAM HOYT,
World-Telegram Staff Writer.

A long-pending indictment against a man once linked with Frank Costello in the operation of Saratoga's swank Piping Rock Club, has been restored to the criminal trial calendar in Federal Court, the World-Telegram learned today.

The indictment, against Sidney L. Robinson, one-time vice president and part owner of the Copacabana, 10 E. 60th St., has lain dormant for four and a half years.

Last April, U.S. Attorney John F. X. McGohey said the case had been inadvertently overlooked and pointed out the indictment was returned under his predecessor, James B. M. McNally, now a Supreme Court Justice.

Last week, the World-Telegram brought the case to the attention of Judge John C. Knox, senior jurist of the Southern District, who asked Chief Assistant U.S. Attorney Irving H. Saypol to look into the matter.

Mr. Saypol told this paper he had looked into the file and had [illegible] Sen. Robert F. Wagner.

Referring to the charge that Robinson owned a leasehold on the Piping Rock, Mr. Wagner revealed that in testimony in Supreme Court Costello admitted to owning a 30 per cent interest in the Saratoga Springs spot.

Hearing Feb. 28.

At the time the indictment was handed up, Mr. McNally said that Monte Proser, president of the Copacabana, had filed an affidavit admitting Mr. Robinson had been elected vice president of the night club on Sept. 8, 1941, and had received 20 shares of stock.

In subsequent hearings Mr. Robinson denied he knew Mr. Costello or that any gambling had taken place during his operation of the Piping Rock Club.

Yesterday, Federal Judge William Bondy adjourned trial of the Robinson indictment until Feb. 28 on consent of Assistant U.S. Attorney Frederick H. Block and Mr. Robinson's attorney, Harry Malter, 291 Broadway.

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ROGERS OFFICE INQUIRY ASKED

Rager Seeks Investigation of Costello Party.

City Councilman Edward Rager, Manhattan Republican, is seeking an investigation of the office of the Borough President of Manhattan in connection with the Copacabana charity dinner given recently by Frank Costello, gambler and ex-convict, it was learned today.

A resolution to this effect has been introduced in the City Council by Rager and has been referred to the Council's committee on State Legislation.

Borough President Hugo E. Rogers, leader of Tammany Hall, was at the party along with a number of persons prominent in the city's political life, according to Rager. The councilman said that the $100-plate dinner was also attended by Dr. Richard H. Hoffman, a psychiatrist who has treated Costello; five justices of the State Supreme Court, other justices and public officials.

"Honest government mut perishs," the Rager resolution read, when public officials charged with administering the affairs of a community are dominated by underworld overlords, specializing in vice and corruption."

The resolution also said that

"only a few days ago a dinner was arranged by Frank Costello, ostensibly for a charitable purpose—a time-honored device of gangsters to appear reputable."

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N. Y. Sun
DATED FEB 2 1949
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Crime Condition Survey - New York

New Psyche Field

By Robert C. Ruark

The vast function of psychiatry in our time has never been more strikingly illustrated than in the recent wistful case of Mr. Francis Costello, who is widely regarded as a simonized underworld czar.



Ruark.

Mr. Costello got himself extensively into the papers as the result of a $100-a-plate party he threw at the Copacabana, an ornate cabaret of which he is very fond. His guests were sundry judges, congressmen and lowercase politicos. Mr. Costello, whose livelihood supposedly comes from such grimy enterprises as gambling hells, horse books, slot machines and other pursuits, seemed a little out of character in the company of such distinguished guests, although his aim was noble.

He was putting on the benefit for the Salvation Army, a militant organization which packs no rods, indorses no whisky, bets no nags, and rolls no dice. Mr. Costello currently is hip-deep in philanthropy—at, it develops, the advice of his psychiatrist.

This appears to plumb a new field for the psyche-feelers, and uncovers a broad, unplowed bonanza of rich clients. One of Park Ave.'s best-known psychiatrists, Dr. Richard Hoffman, touched off the Costello crisis merery by a simple prescription.

"What you need," Dr. Hoffman advised, "is a new set of friends. Go out and meet some nice people." Mr. Costello was in process of improving himself by route of the charity dodge, when it blew up in his face. Evidently there is some resentment among the common folk at having their lawmakers play night club with prominent underworlders, no matter how sweet the odor or pure the cause.

• • •

As a militant protagonist of all the psychiatrists, from Freud to Dorothy Dix, I have been unable to stop worrying about them in connection with the freshet of clients which will undoubtedly result from Mr. Costello's trustful experiment with the soul healers. Psychiatry is a practice which heretofore has dealt with reasonably tractable frustrates, and some of Mr. Costello's acquaintances lack his polish. There could even come a day when the cops are shaking down the psychiatrists as repositories for vital information concerning who cracked what crib.

If the fad travels deep enough into the netherworld, a scene suggests itself. The patient flops on the couch, the doc lowers the lights, and asks the routine question.

"I ain't been able to sleep, Doc," says the patient. "Get no kicks outa booze or reefers. All I got is indigestion, insomnia, and worry."

"Did you hate your grandmother?" the doctor asks. "Were you resentful because you didn't get a red sled for Christmas?"

"Naw," says the hood. "It's just I keep thinkin' of Joe the Bum. I et a rare steak just before I rubbed him out. Now, every time I order a steak, I see Joe de Bum. Catsup kills me. Oh, what I said!"

"But certainly," says the doc, "there is a more basic block. Were you jealous of your father, as a child?"

• • • •

"Jealous of me old man? Naw. I hadda bump him with a jackhandle when I was 12, but the grand jury called it a accident. He was tryna make me eat me oatmeal, and everythin' went black... What really bodders me is Ruby. Ruby was me ever-lovin' bride."

"Pray continue. You had a resentment toward your wife?"

"Well, she kept naggin' at me alla time. One day in Miami I come down with a unavoidable compulsion. I shoved her outa the window."

"Stop it," says the doctor, "I've heard quite enough."

"But doc, dere's d' time we scrag Mike the Mope, and Louie the Gimp, and d' time we bribed d' jury and fix'd d' judge and bomb'd rival bookmaker, and, and. . ."

"Please, no more," says the spike-beard. "What you need is a change of occupation, and certainly a change of scene. Inner Mongolia, perhaps. . ."

"Oh, wise guy, huh?" snarls the hoodlum, reaching for his rod. "On second thought, you know too much. . ."

I worry about my pince-nezed friends. You can expand any profession too far.

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Need MORE Costellos, Mme. Chairman Replies

What the Salvation Army's maintenance fund drive needs is more Frank Costellos, it was suggested yesterday at a luncheon meeting of 150 sectional and divisional chairmen in the Park Lane Hotel.

"We hope we'll meet a Frank Costello on every corner," Mrs. Jackson A. Dyckman, director of the women's division of the drive said. "We need money and that is the prime object, not where it comes from."

She referred, of course, to the $18,000 raised by slot machine czar Costello at his $100-a-plate dinner last Monday at the Copacabana night club, an affair attended by judges, politicians, city officials, party leaders and a sprinkling of gangsters.

Costello, one of the chairmen of the drive, resigned after he and many of the guests got their names in the papers as a result of the shindig.

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CLIPPING FROM THE
N. Y. News
DATED JAN 29 1949
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Salvation Army Finds Humor in Costello Dinner

Fund Officials Quip About It; One Plans 'Benefit' Meal at 11-Cent Cafeteria

Leaders of the Salvation Army campaign to raise $1,100,000 reported on its progress yesterday and aired Frank Costello's role in the drive with rueful humor.

At a luncheon at the Park Lane Hotel, 299 Park Avenue, Mr. Costello was a guest in spirit as committee heads joked about the slot machine operator's dinner at the Copacabana night club for the Salvation Army last Monday night.

Mrs. Jackson A. Dykeman, head of the women's division, said that her committee expected to launch a house-to-house canvass for funds. Hoping for a huge success, she added: "We hope to meet a Mr. Costello on every street corner."

Walter Hoving, chairman of the men's division, reported that his total of 123 vice-presidents in the campaign had been cut by one, Mr. Costello withdrew because he feared that his participation in the campaign might be harmful to the drive as a result of the publicity given to his dinner at $100 a plate.

Mr. Hoving continued that he was determined to give a "benefit" dinner at a cafeteria where a meal costs only 11 cents.

"Every one who gives $100 or more to the Salvation Army will receive an invitation," he added. "I will pay the check."

He asked for those who were not invited to the Costello dinner to please raise their hands. Not many hands were raised, but every one seemed to appreciate the witticism. Among those at the Costello dinner were city judges, politicians and some of Mr. Costello's close friends.

Ray Vir Den, general chairman of the campaign, said: "Nothing can hurt the Salvation Army." He said that up to date the fund-raising campaign brought $390,364 and asked for intensified effort.

"We should have a half million dollars at this time, but the campaign will continue until the goal is reached," he said.

The campaign is scheduled to close Feb. 15.

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Flegenheimer Denies Any Link to Costello

Monroe Flegenheimer, Democratic-Liberal nominee for Assemblyman in the 5th Manhattan District, last night denied any link with Frank Costello, the gambler.

He labeled as "vicious and untruthful" a speech by Edgar J. Nathan 3rd, his Republican opponent, in which Mr. Nathan called him the candidate of the Rogers-Costello machine.

"I want the people of my district to know that I have never met that man (Costello)," Mr. Flegenheimer declared.

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"TOO DAMN SELF-RIGHTEOUS"

Case of Costello

A saloon friend was just burbling to this reporter:

"Now, you take the case of Frank Costello, and that Copacabana shindig he threw the other night at $100 a plate, raising 18,000 smackeroos for the Salvation Army, with a bunch of big politicians and judges and whatnots glad to be there. And you take Frankie's other efforts for charities here and there, and poisonal contributions to a fistful of woithy causes, and so on.

"Then you take these twoips who are clutching their cummerbunds and giving with loud boips about how Costello is an ex-con, a gambler, a slot-machine typhoon or whatchacallit, and all this and that, and how it's a crime to let him monkey into any charities at all.

"Well, what I say is, the hell with that malarkey.

"Sure, Costello is everything they say he is. But he can get up the dough, can't he? Could you get anybody to come to a $100-a-plate dinner for any poipose at all? Could I? Could any of these jakes who are making all the moans?

"And he toins the jack over to charities, don't he? And they're glad to get it, ain't they? You notice the Salvation Army didn't blow back that 18,000 bucks, and didn't offer any mealymouth alibis for keeping it, either. They've got sense, those guys, not to mention real charity in their hearts.

"So what I say is, there's too damn much self-righteousness around these days. Too damn much holier-than-thou herty-terty. Frank's no lily; but how about that old crack, 'God sent it, though the devil may have brung it,' hah?

"The hell with self-righteous slobs, and let's have another beer."

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N. Y. News
DATED JAN 28 1949
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Nathan Charges Election Rival Has Costello Aid

Assembly Candidate Opens Campaign at Meeting of Young Republican Club

Edgar J. Nathan 3d, Republican candidate in the special Assembly election in the 5th District, said yesterday in his opening speech that Frank Costello, the gambler, was aligned with his Democratic opponent.

Mr. Nathan, son of Justice Edgar J. Nathan jr. of the Supreme Court, spoke at a luncheon meeting of the New York Young Republican Club at Schwartz's Restaurant, 56 Broad Street.

Without naming Monroe Flegenheimer, Democratic and Liberal party candidate in the election Feb. 15, Mr. Nathan said he had faith in the independence of the voters of his district and added: "They will not tolerate and are highly suspicious of the clubhouse type of candidate proposed by the Rogers-Costello machine."

Oren Root, introducing Mr. Nathan, urged that the organization put up "a real fight" for the 5th District candidate. He said the voters should be induced to come to the polls to vote against the "Marcantonio-A. L. P.-Costello" political influence.

Henry V. Poor, president of the club, promised to assist in the Nathan campaign.

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'Too Damn Self-Righteous'

A saloon friend was just burbling to this reporter:

"Now, you take the case of Frank Costello, and the Copacabana shindig he threw the other night at $100 a plate, raising 18,000 smackeroos for the Salvation Army, with a bunch of big politicians and judges and whatnots glad to be there. And you take Frankie's other efforts for charities here and there, and poisonal contributions to a fistful of woithy causes, and so on.

"Then you take these twoips who are clutching their cummerbunds and giving with loud boips about how Costello is an ex-con, a gambler, a slot-machine typhoon or whatchacallit, and all this and that, and how it's a crime to let him monkey into any charities at all.

Case of Costello

"Well, what I say is, the hell with that malarkey.

"Sure, Costello is everything they say he is. But he can get up the dough, can't he? Could you get anybody to come to a $100-a-plate dinner for any poipose at all? Could I? Could any of these jakes who are making all the moans?

"And he toins the jack over to charities, don't he? And they're glad to get it, ain't they? You notice the Salvation Army didn't blow back that 18,000 bucks, and didn't offer any meal-mouth alibis for keeping it, either. They've got sense, those guys, not to mention real charity in their hearts.

"So what I say is, there's too damn much self-righteousness around these days. Too damn much holier-than-thou herty-terty. Frank's no lily; but how about that old crack, 'God sent it, though the devil may have brung it,' hah?

"The hell with self-righteous slobs—and let's have another beer."

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EAST SIDE, WEST SIDE

Frank Costello Compiles His "Leper List"

By FRANK CONNIFF

IT IS IRONIC that a harmless charity dinner in a famous night club should have been the gimmick which finally focussed attention on the immense political power manipulated by Frank Costello.

As an aftermath of this well-meaning affair, undoubtedly rigged in line with his psychiatrist's injunction to "get out and meet nice people," New York became more Costello-conscious in a space of 24 hours than in all the preceding years strung together.

The general public, that is. To insiders of our town's curious political setup, the Costello heft in behind-the-scenes maneuvers has never been a secret. Now the average guy has had a chance to peek around the iron curtain and observe the Costello strength in its naked authority.

High-ranking judges, influential politicians, and social and medical notables flocked into the Copacabana basement as if summoned by a royal master. They supped on gourmet's fare and all might have been well except for the intrusion of the one element that is the bane of Mr. Costello's existence.

That little factor is—publicity.

The man hates the spotlight as a serf might dread the knout. The Cotsello career strikingly demonstrates that a talented politician can attain tremendous influence without indulging in the freak publicity dodges so in vogue at the moment. Mr. Costello doesn't even like GOOD publicity.

He once confided to a friend that he could handle most of the hair-shirts which plague a gambler-politician in pursuit of the elusive dollar. There are ways of softening the opposition, no matter how formidable. But he admitted there was nothing that could be done about newspaper publicity.

"Once the reporters get after you," he said, "there's nothing can be done about it. You might as well admit defeat and try to ride it out."

A big frustration in the life and times of Frank Costello has been the inability to frankly admit his profession without unfavorable repercussions. The classic example in Mr. Costello's mind is Col. E. R. Bradley, who ran the gambling casino at Palm Beach when not breeding horses for the Kentucky Derby.

Col. Bradley was once haled before a Congressional investigating committee. When one of the self-righteous Senators asked him to state his occupation, the Colonel attempted no evasion. He looked his interrogator squarely in the eye.

"I'm a gambler, sir," he said.

And that, to coin a cliche, was that. They went on to another line of questioning. Mr. Costello wonders why he cannot speak as candidly and escape censure, ignoring the blemishes from his youthful life which find no counterpart in Col. Bradley's distinguished record.

Mr. Costello spent his 56th birthday behind closed doors at his West Side apartment the day before yesterday. Newspapers reported that he merely nibbled on a snack and essayed no other activities. But I happen to know different.

My own private spy tells me that Mr. C spent the day compiling what he has chosen to call his "Leper List." On this list are the names of the guests at his charity rout who acted as if they had been linked with a leper when mentioned in the same breath with Mr. Costello.

Mr. C. wears tougher emotional armour than the average person, but he has some sensibilities beneath the shield. The alacrity with which his whilom guests disowned him ere cock's crow was not lost on his memory. Hence the formation of the "Leper List"—and some of our town's most pretentious jurists rank high on the batting order.

Sweet are the uses of charity, but I doubht if Frank Costello can name any of them at the moment. Next time the Salvation Army starts playing beneath his window, I'm sure he'll turn on a disc jockey. They can't put your name in the paper just for listening to Ted Husing, can they?

Read inside story of Communism in U. S. by Robert Stripling, Chief Investigator of House Un-American Activities Committee, Starts in Sunday's Journal-American.

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3 Top Gangsters At Costello Party

Three top leaders of the underworld were named today as among the figures who rubbed shoulders with judges and politicians at Frank Costello's charity party at the Copacabana, 10 E. 60th st., last night.

The guest list at the affair, which backfired in Costello's face, included Phillip (Dandy Phil) Kastel, Vito Genovese and Frank Erickson.

Kastel, who was convicted in a bucket shop case in 1926, is gambler Costello's partner in the operation of slot machines in Louisiana.

Genovese is a police character with a record dating back to 1917, which includes several arrests on murder charges.

CALLED A PUNK.

Erickson is a big time gambler who was called "a punk" by the late Mayor LaGuardia.

Revelation of these guests came as it was reported along Broadway that Costello gave the party to impress the underworld with his power to command the presence of big time politicians.

Persons who attended the dinner, for which Costello picked up a $2,400 tab, reported Genovese was treated with a deference indicating he may rank as high as Costello in the underworld.

George Wolf, attorney for Costello, denied statements of the Salvation Army that the $100-a-plate affair was organized to aid the Army's fund raising without the organization knowing anything about it.

GRATEFUL FOR AID.

Another charity organization revealed it is "grateful" to Costello for his aid.

Frank E. Karelson Jr., secretary of Irvington House, a sanitarium for children with rheumatic heart disease, said:

"There is nothing which implies that Irvington House will refuse in any way to accept the financial assistance of Mr. Costello or any other persons for its worthy purpose.

"Mr. Costello's contributions have been made without any strings attached and clearly arising out of his interest in our work, and welcome such assistance."

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Tammany Purrs for Costello

Frank Costello is still one of the most important men in New York. His name bobs up in the newspapers only now and then, but when it does there is a loud bang. Such an event was the little $100-a-plate charity affair over at the Copacabana. The man loathes publicity, which is easy to understand. There is little or nothing favorable to be said for him. Costello is an ex-convict, big-shot gambler, prohibition era acquaintance of Capone and Schultz, slot machine monopolist, and so on. He is an extraordinary fellow, phenomenally ambitious, remarkably successful in a material way. If Costello were only a potentate, past or present, in the conventional rackets, it might be easy to shrug him off. But the man's compulsion for power has driven him on. High-level politics is his dish; there he seems to find the suggestion of satisfaction. Costello holds no public office or any titular post in politics. But, by the proved record, he is a neat little judge maker. The Tammany boys know him well, and the cat purrs for Costello.

It is always helpful, especially in an important election year, to be reminded that true power often rests in peculiar places. Fortunately Frank Costello himself supplies the evidence. With all his bootstrap talents, Costello suffers a fatal inferiority complex. He has a passion to be well thought of; he dotes on circulating in top-notch circles. Thus it was entirely natural that the self-improving Costello should arrange the Copacabana command performance, and quite as natural that everybody turned up, from Hugo Rogers down through the more important district leaders and a long procession of judges from Supreme Court to the humblest grade. There were 160 guests in all, quite a tribute. Everybody had a fine time, until the story got out.

The value of the occurrence is plain. Tammany is no different than it ever was. Tammany puts up a great front of being pure and civic-minded, but privately the boys enjoy a jolly evening with Frank Costello. This is the same old Tammany.

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Costello Has Quiet Birthday

Marks Days Quietly at Home Without Judges, Politicians and Officials in Attendance.

Frank Costello was 56 yesterday but no party like the one in the Copacabana night club marked the occasion.

The gambler and ex-convict celebrated the anniversary quietly at his home, 115 Central Park West, with his family and a few friends.

Reports had it that the festivities were tranquil and unattended by the Supreme Court Justices, other members of the judiciary, politicians and office holders who were present at Costello's now famous benefit dinner for the Salvation Army Monday night.

Although Costello withdrew from the Salvation Army campaign fund following the highly publicized dinner, there were no indications that he planned to resign from the men's committee of the Legal Aid Society's annual campaign, of which he is one of 179 members.

Martin V. Callagy, attorney-in-chief of the organization, said that he saw no reason for asking Costello to retire.

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Costello Throws Little Party for 56th Birthday

By CHOLLY KNICKERBOCKER

Registered U. S. Patent Office.

Frank Costello, slot machine czar, whose $100-a-plate night-club party for the Salvation Army, backfired in his face, today found his social calendar crowded with anniversaries.

Yesterday was the gambler's 56th birthday, which he observed with "a quiet little party for a few friends" in his sumptuous apartment at 115 Central Park W.

Whether any of the judges and politicians who attended Costello's charity party at the Copacabana, 10 E. 60th st., last Monday night also helped him celebrate his birthday could not be learned.

Neither was there any announcement as to what Costello's plans may be for celebrating his next anniversary on March 15.

INDICTMENT ANNIVERSARY.

This is the 34th anniversary of his indictment on a gun-carrying charge, to which Costello pleaded guilty April 5, 1915.

He was sentenced to a year in the penitentiary—the last time he went to prison, although he has been arrested several times in investigations of various rackets.

It was not a very happy birthday for Costello, however.

He had withdrawn on his birthday eve as one of the 123 vice-presidents in the Salvation Army's fund-raising campaign to save the charity from embarrassment.

His resignation came after it was disclosed that eight jurists and some of the city's highest Democratic politicians were guests at last Monday's affair at the Copacabana. The late Mayor LaGuardia once tried to prove that Costello owned this nitery. LaGuardia branded Costello as "a

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Costello Throws Birthday Party

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timborn gambler and a bum" and as "the worst gambler in the world."

Costello's personal psychiatrist, Dr. Richard Horace Hoffman, of 870 Park ave., who was a guest at the Copacabana party, revealed he had advised his wealthy client to "get out and meet nice people."

How well Costello followed his psychiatrist's advice was indicated by the revelation he was a member of the men's general committee to raise money for the Legal Aid Society, and was a generous contributor to Irvington House, sanitarium for children with rheumatic heart disease at Irvington-on-Hudson.

However, Mrs. Edwin H. Koehler, president of Irvington House, declared that Costello was not an active member of that group's fund-raising committee.

Benjamin Buttenweiser, general chairman of the Legal Aid Society drive, said he "didn't know Costello from a hole in the wall" until the gambling czar sent in "a good-sized check" in response to a circular asking contributions.

"After Mr. Costello sent in this contribution, we asked in a letter if he wanted to help raise money for us," Buttenweiser explained.

"These are routine letters sent to hundreds of our contributors. Mr. Costello said 'yes,' and we got checks from night clubs. He is one of 179 men on that particular committee."

BRANIGAN AT FETE.

Further investigation of the Costello charity party for politicians disclosed that one of the guests was James F. Branigan, president of the National Democratic Club.

Branigan admitted attending the $100-a-plate affair but said he attended the dinner as a guest of Barney B. Schlinger, of 1350 Broadway, importer of children's wear.

He refused to say whether he was acquainted with Costello. But Mayor O'Dwyer has charged Costello has been a frequent guest at the National Democratic Club at 233 Madison ave.

"It was this club which Mayor O'Dwyer last year branded a "political cesspool" and "den of iniquity."

Newsmen who attempted to find out how Costello celebrated his birthday and what politicians (if any) attended, met rebuffs at Costello's apartment.

When the doorman telephoned the apartment, a woman answered:

"Nobody home."

In another aftermath of the Costello party, Mayor O'Dwyer came to the personal defense of Dr. Hoffman's son, Richard Hoffman Jr., 27, who is secretary of the Marine and Aviation Department.

The Mayor said Hoffman was

...ecommended for his $4,650-a-...ear post by newspaper executive... and Frank J. Sampson, former... leader of Tammany.

Hoffman, who is 27, served with

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Climbing the Social Ladder.

Those who deny that there is anything Algeresque about the atmosphere of New York should consider the social triumph of Frank Costello. Where else, they well might be asked, could one of Costello's social record assemble at his table the Borough President, a whole galaxy of judges, a member of Congress, a social luminary or two, and an assortment of lesser lights? True, there were special attractions, notably a most worthy charity. But the triumph must be attributed not to the cause that was being served or the fact that a floor show was thrown in, but to the personality of the host. His guests quite obviously found his invitation, tastefully worded in the best Emily Post tradition, completely irresistible. Costello, it appears, now has his foot firmly on the social ladder. Certainly it would not be to the disadvantage of the city if he decided to transfer his activities from Fourteenth street to the more social atmosphere of our residential avenues.

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Sparks Fly Over Costello Dinner

State Senators on Both Sides Use Charity Party as Springboard for Criticism.

Political sparks were flying among Democrats and Republicans today following a debate in the State Senate over the now memorable $100-a-plate dinner given for the Salvation Army by Frank Costello, gambler and ex-convict.

At the opening session in Albany yesterday, charges that racketeers had infiltrated both parties were made by Senate leaders on opposite sides of the political fence. The party, held Monday in the Copacabana night club, had a guest list of persons prominent in politics, the judiciary and private life.

Senator Elmer F. Quinn, minority leader and a member of Tammany Hall, declared that the Democratic party was not associated with racketeers."

'Get in Somehow.'

"Well, they get into your party somehow or other, Senator," asserted Benjamin F. Feinberg, Republican leader. He said he had been "interested" in the guest list at the dinner.

Quinn declared that some Republicans might have been present at the affair, which Costello gave as a vice-chairman of the men's division of the Salvation Army campaign. The welfare organization reported last night that he had resigned.

Senator Francis J. Mahoney, Manhattan Democrat, asked Feinberg if he would introdoce him to Costello.

"Why not consult some of your Tammany leaders," replied Feinberg. "They will introduce you to him. They know him well."

Among the guests at the party was Costello's psychiatrist, Dr. Richard Hoffmann of 870 Park avenue, who went with Howard Chandler Christy, the artist, and their wives. Costello was reported to have consulted the psychiatrist because he worried and couldn't sleep. Golf, gardening and association with "nice people" were said to have been prescribed.

Salvation Army Relieved.

The Salvation Army was considerably relieved at the gambler's withdrawal from its campaign. As a previous large donor he was included by mistake among 123 vice-chairmen, the organiza tion said.

His attorney, George Wolf, expressed himself as of the opinion that Costello deserved a pat on the back "instead of a kick in the pants." However, he notified the relief agency that his client was withdrawing because he feared his participation might have an adverse effect.

The party, at which 160 were present, raised at least $10,000, which the Salvation Army intends to keep.

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Branigan, Democratic Leader, Also Costello Party Guest

National Club President Says He Went With Dress Importer—Son of Gambler's Doctor Has $5650 City Job.

James F. Branigan, president of the National Democratic Club, admitted today that he was one of the guests at the now widely advertised $100-a-plate dinner given for the Salvation Army by Frank Costello, gambler and ex-convict, at the Copacabana night club.

"I was there as a guest of Barney B. Schlinger," Branigan explained. Schlinger is president of a children's wear importing firm at 1350 Broadway.

Asked whether he knew Costello, Branigan said he had "no comment."

Doctor's Son Has City Job.

It was learned that the son of Costello's psychiatrist, Dr. Richard H. Hoffmann, who was also at the party, has been secretary of the city Department of Marine and Aviation since April at $5,650 a year. The post is civil service exempt.

The son, Richard W. Hoffmann, 27, was appointed by Commissioner G. Joseph Minetti after serving two years as a confidential inspector in the office of Borough President Hugo F. Rogers of Manhattan, leader of Tammany Hall. Rogers was also at the party.

The inspectorship, also civil service exempt, pays $3,150 a year. At the time of his appointment, young Hoffman cited investigation work he performed in the Army as qualification. Rogers said he appointed him in January, 1946, upon the recommendation of the former Tammany leadership. Duties of the job are indefinite.

It is now held by Salvatore Titolo of 139 West End avenue, a Tammany district leader. An un-

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IV: The Real Frank Costello

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WHO AND WHAT is Frank Costello? What is the source of his wealth and power? THE PUBLIC GUARDIAN, acting in the public good offers the answers as brilliantly set down by Herbert Asbury, author of THE GANGS OF NEW YORK, *in an account he originally wrote for Collier's, where it appeared in April, 1947. This is the fourth installment.*

WHEN LEPKE Buchalter went into hiding, he was wanted by the State of New York for murder, and by the federal authorities for illegal trafficking in narcotics. In August of 1939, after the search for Lepke had been going on for some time, Walter Winchell made a stirring appeal to the murderer on his radio program, crying, in effect: "Are you listening, Lepke? Are you listening? Come out, come—out, wherever you are!"

Lo and behold, Lepke did come out! He met Winchell and J. Edgar Hoover, director of the F.B.I., on a dark Manhattan street corner, and surrendered in a great burst of publicity. Officials of the Federal Bureau of Narcotics are still peeved that they got none of the glory. Winchell has never pretended to minimize the almost godlike power which he wields over great masses of the American people, but many of even his most devoted listeners gained a questioning eyebrow when it was implied that Lepke had surrendered just to oblige him.

Meanwhile the federal government put Lepke in jail on the narcotics charge, and it was generally understood in underworld circles that he had been assured that he would not have to face the accusation of murder, which can really be serious. However, Thomas E. Dewey, elected governor of New York in 1942, had other ideas, and finally succeeded in snatching Lepke away from the federals, and the gangster was put to death in the electric chair in March of 1944.

Says Costello Told Him

The day Lepke died the New York World-Telegram published an article in which Lepke was quoted as saying that Costello had ordered him to surrender, and so he had started him on the road to death. According to the newspaper, the boss racketeer had received word from J. Edgar Hoover, through the mysterious grapevine which connects the law and the underworld, that, unless Lepke was turned in, the F.B.I. would make it very unpleasant for a lot of other people. Costello in turn is said to have told Lepke to give himself up, "or else." Arrangements were then made for Lepke, seemingly at least, to obey the Winchellian summons. In Washington recently a representative of the F.B.I. refused either to confirm or to deny that Costello had had something to do with Lepke's surrender.

"Truthfully," he said, "we do not know. We had a lot of pressure on, trying to get Buchalter. We were working with a confidential informant. I cannot tell you who this confidential informant was, but I will tell you that it was not Costello. Our confidential informant may have worked through Costello, but if so we did not know it."

• • •

WHEN Costello's activities as an important figure in the gambling and bootlegging industries were exposed in the middle 1920s, the police thought that he had come to New York from Detroit.

A little later the authorities were led to believe that he had been born Castellano in the Greenwich Village district of New York, and had served an apprenticeship with the old Gopher and Hudson Duster gangs there and in Hell's Kitchen. He was active around New York for several years before the police identified him as Frank Saveno, whose criminal record antedated the First World War.

In January of 1947 a New York political writer, without revealing his sources, said positively that Costello's real name was Saverna. In recent months this name has appeared several times in accounts of Costello's activities; it is said to have been suggested in various quarters by a member of the racketeer's personal staff, a former New York newspaper reporter who handles Costello's public relations, such as they are. Costello himself, during his last appearance in court in January, 1947, dropped a new name into the hopper; he said he had been born Castiglia, but had called himself Costello for some 30 years.

Sometimes it appears that Costello really knows very little about himself. The first two times he was arrested, in 1908 and 1912, he was booked as Frank Castello, which he said was his true name. When he obtained a license to marry in 1914, according to the records of the New York Marriage License Bureau, he gave his name as Frank Costello, his age as twenty-three, his occupation as plumber, and said he had been born in New York City.

On March 12, 1915, Costello was arrested on a charge of carrying concealed weapons, which under the laws of New York State is a felony. When arraigned before a magistrate he said his name was Frank Saverese, that he was a steamfitter by occupation, that he had been born in New York, and had lived at No. 232 East 108th Street, in East Harlem, for 23 years. On March 26, 1915, he pleaded guilty, and when brought to the bar of General Sessions Court for sentence told Judge Edward Swann that his real name was Stello.

When he applied for probation he again said he had been born in the United States. The probation authorities reported to the court that as far as they could learn his real name was Castello. During his examination by a United States attorney in 1935, Costello said:

"I am born in New York. I am here all my life."

Naturalized in 1925

When disbarment proceedings were brought against Justice Aurelio, following the disclosure of the "undying loyalty" telephone conversation, Costello testified, under oath, that he had been born in Italy and had been a citizen of the United States since 1921 or 1922, that he had never been a member of a political party, and that he had never voted. Actually, he had been an American citizen since 1925. On March 26, 1923, he filed a declaration of intent, giving his residence as 234 East 108th Street and his occupation as broker. On September 10, 1925, he was admitted to citizenship.

In his petition for final naturalization papers he said that he lived at 2450 Broadway and was in the real estate business. He gave the date of his birth as January 28, 1891, at Cosenza, Italy, and said that he had embarked from Naples on March 1, 1895, and had arrived in the United States on April 2, 1895. There is no mention in the records of the Bureau of Naturalization of Costello's previous criminal record, nor of the fact that he had served a prison term for a felony. Nor do the records of the Bureau show that at the time he was admitted as a citizen the police were investigating his connection with a rumrunning and bootlegging gang. He was arrested less than three months after he had become a citizen.

His Witnesses

The witnesses who vouched for Costello's character and good repute when he was naturalized were Frank A. Goss, of 8725 Ackroyd Avenue, Jamaica, New York, and Harry C. Sausser of Huntington, New York. The only trace that can be found of Goss is that a Frank A. Goss registered as a voter on October 10, 1925, giving his address as 8725 161th Street, which is the same as Ackroyd Avenue. This Frank Goss said his business address was 405 Lexington Avenue, in New York, which, curiously enough, was the same address at which Costello maintained an office.

No trace whatever can be found of Harry C. Sausser. A search of Huntington tax, police, registration, telephone and other records failed to disclose anyone of that name.

• • •

WHEN an alien files a declaration of intent to become a citizen of the United States he is not asked whether he has been arrested or convicted of a crime. Nor does the subsequent petition for final citizenship papers contain such questions. It is the law that the petitioner must be of good moral character, and must not have been convicted of any crime involving moral turpitude within a period of five years prior to the filing of the declaration of intent.

The final petition must be verified by two American citizens, who must state that they know the petitioner to have been a resident of the United States for at least five years continuously; that they know the petitioner; and that they know of their own personal knowledge that the petitioner is a person of good moral character and in every way qualified to be admitted to citizenship.

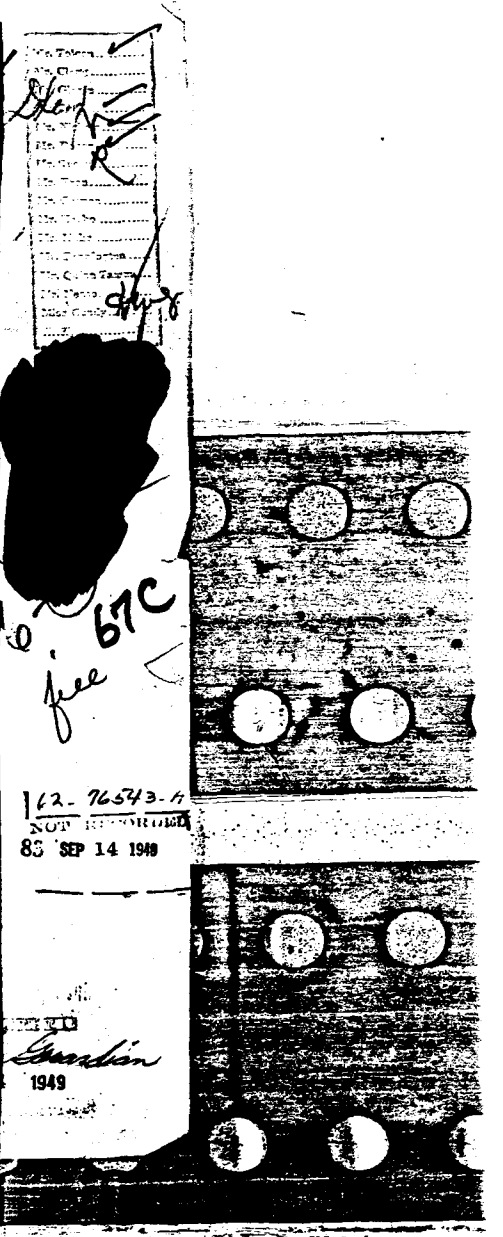
The petition for final papers must state that the applicant believes in the Constitution of the United States, has abided by the Constitution, and will continue to obey its principles. At the very time Costello swore to uphold the Constitution he was engaged, according to his own testimony in the Aurelio case, in bootlegging, which was an unlawful occupation contrary to the 18th Amendment of the Constitution.

The courts have upheld the proposition that any act committed by a petitioner in violation of the Constitution, or any state statute involving moral turpitude, must be brought to the attention of the court by the petitioner for citizenship. The courts have also uniformly held that violation of the 18th Amendment was a crime involving moral turpitude. Failure to bring such a violation to the attention of the court has been construed as a fraud upon the court. Such a fraud may be the basis of an action for revocation of citizenship and deportation.

As far as is known, the federal authorities have made no investigation of the circumstances under which Costello became an American citizen.

HERBERT ASBURY

(NEXT WEEK: The $27,200 mystery.)



Morris Fires Blast—About Costello

By DICK LEE

Newbold Morris, the Republican-Liberal-Fusion candidate, last night set off his big campaign gun—a charge that Frank Costello, reputed underworld czar, was back of the Democrats' plan for the reelection of Mayor O'Dwyer. In a radio broadcast he pictured Costello as the man behind the City Hall throne.

By way of proving the Costello link charge, which was slightly reminiscent of the 1945 campaign which O'Dwyer won by a landslide, Morris quoted Representative Franklin D. Roosevelt Jr., who recently ran as an independent and won against Tammany Hall. Roosevelt in his campaign accused Costello of denying him the Democratic nomination.



Frank Costello

As further evidence Morris referred to what he called a defense of Costello in the Roosevelt situation by Generoso Pope, the Italian-American publisher. He pointed out that Pope was at the moment serving as the finance chairman of the O'Dwyer campaign committee.

"Behind my opponent is a cruel, heartless, corrupt, graft-ridden political machine dominated by the five political bosses," said Morris. "They're bad. But the men behind them are far worse. And from Frank Costello down, every mobster, every extortionist, every bookmaker is actively backing the present Mayor for re-election."

The Mayor, former Gov. Herbert H. Lehman, the Democratic-Liberal candidate for the U. S. Senate, and Robert F. Wagner Jr., the Democratic-Liberal candidate for Manhattan Borough President, will make their first campaign appearance together Thursday at a reception in the Hotel Seymour, 50 W. 45th St.

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CLIPPING FROM THE
N. Y. News
OCT. 4 1949

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Costello Sells Holdings Here; 'Got Good Offer'

3 Wall St. Area Buildings, 'All' His Realty in City, Sold for About $500,000

Frank Costello, who told a Senate crime subcommittee last April that his occupation was "real estate," admitted yesterday through his lawyer, George Wolf, that he had sold all his property holdings in the city—three buildings in the Wall Street area which he had owned since 1944.

"Yes, Mr. Costello sold his interest in that parcel," Mr. Wolf said. "He got a good offer and decided to sell. That's all."

Mr. Wolf said the three buildings—a thirteen-story office structure at 79 Wall Street and two four-story business buildings at 87 Wall Street and 114 Water Street—are all the real estate owned by Costello in the city.

The three buildings were sold on Aug. 1 to Elias A. Cohen, who has wide holdings in the financial district, for a sum near $500,000 and Mr. Cohen in turn sold the parcel to Chock Full O'Nuts, Inc., a concern which plans to tear down the two small buildings and build an air-conditioned restaurant there.

It was Mr. Cohen himself who had sold the parcel to Costello in April, 1944. Three weeks after this transaction, Costello committed his famous blunder of leaving $27,200 in cash on the seat of a taxicab. When the money was turned in to the Police Missing Property Bureau, Mr. Costello, in an attempt to recover it, testified that he was carying the large sum for a "real estate transaction."

According to Mr. Wolf, Mr. Costello was president of the 79 Wall Street Corporation, and his wife, Loretta Costello, was vice-president. Together they owned all the stock. Records in Albany show that a certificate of incorporation was filed April 21, 1944, by Blanche Wolf, of 30 Broad Street; Harry Shapiro, of 261 Broadway, and George Wolf, also of 30 Broad Street. The three were listed as directors. Miss Wolf is Mr. Wolf's daughter and was associated with him at the time in the legal firm. Mr. Wolf's office is now at 509 Madison Avenue.

TITLE
CLASS Crime Survey
FROM
BY Herald Tribune
DATED AUG 23 1950
FORWARDED OCT 4, 1950 DIVISION

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Mr. Belmont
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Tele. Room
Mr. Nease
Miss Gandy

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G.I.R.-1

62-76543-11

NOT RECORDED
83 OCT 2 1950

MEMO TO COSTELLO AND MOB:

To: Frank Costello
From: Police Chief Malburg of Las Vegas, Nev.
Via: Mutual Broadcasting System

"It is rumored that Frankie Costello and his henchmen are on their way to Las-Vegas. We have made a thorough search of the community and we have failed to find him or his henchmen. He is an unwelcome visitor to our city. So are his henchmen. Frankie Costello and his henchmen will be arrested on sight if they are seen in Las Vegas."

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b7C [redacted]

File

Costello file

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62-76513-A
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59 SEP 13 1949

52 SEP 20 1949

JUL 29 1949

VOL. XI, NO. 144 ★★★ WASHINGTON, D. C.

MONDAY, JUNE 27, 1949

(Reg. U. S. Pat. Off.)

N. Y. MOB PUSHES P. G. SLOT MACHINE FIGHT

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Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Phone Rm.
Mr. Winnington
Mr. Quinn Tamm
Case
Mr. Sandy

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Costello Cash In Battle For Legalization

Seek to 'Reach' Md. Legislator

By JAMES COLLIGAN

The Frank Costello mob of New York is so determined to "muscle in" on Prince Georges County's slot-machine business that its millions are being offered to aid the battle to legalize the devices, this newspaper learned last night.

So brazen are their methods that they have approached George McLeish, a ringleader in the fight to keep the machines away from outsiders as well as a prime mover in the battle to legalize them. Their overtures were rejected.

Key Figure in Issue

McLeish, a member of the Maryland House of Delegates, fought on the floor of the legislature for the clause in the slot-machine bill that bars nonresidents of the county from being licensed to own or operate the machines.

He is also attorney for a group of Prince Georges County restaurant owners who want the machines legalized and for Hal Bell, Mt. Rainier slot-machine owner, who has applied for a license.

McLeish and Bell are going before a meeting of the county commissioners tomorrow to demand a slot-machine license for Bell, despite a court ruling that the law legalizing the machines is unconstitutional.

Make it "Very Interesting"

This is the story McLeish t about the attempt of the out-town racketeers to hide behind good name and use it to help th get control of the slot machin

"A man from Montgom county, who has been an 'operat in Prince Georges county whom I know slightly, called on the telephone last Monday. wanted to know if I could him get a slot-machine licens the county.

"I told him I couldn't do because I was against outsi getting licenses. Then he s he calls me George, althoug scarcely knows me—'George, got two or three guys from o town who're in on this thing, they want to see you. They make it very interesting for

"I told the caller: 'Now here. We might as well get

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Miss Gandy

Costello's Mob In Battle For Slot Machines

(Continued from First Page)

straight. I don't want any part of this sort of business and I'm not going to handle it. That's not the type of thing I want anything to do with.'"

The caller then insisted that his out-of-town pals wanted to see McLeish anyway, and suggested it wouldn't do any harm to talk to them. McLeish said he would be at his office that afternoon. Later, McLeish was called into court unexpectedly and forgot about the prospective callers. He does not know whether they ever went to his office.

"I don't know who these men are," McLeish said last night. "They may be Costello's men or they may belong to some other organization, but I know enough about the man who called me to know that it's some kind of racket."

Over $100,000 Invested

The Costello mob, it has been revealed, is already stuck for $100,000 worth of slot machines it planned to use in the county, as well as the cost of setting up fronts and sites from which to operate. It stands to lose it all if the machines are not declared legal.

State Sen. L. Harold Sothoron of Prince Georges County, declared yesterday the legislators had in mind exactly such things as the Costello mob menace when they limited licenses to county residents and restricted the number of machines any one licensee could own or operate.

"That was for the express purpose of keeping out Frank Costello and other syndicates," the senator said.

It was a protest against these restrictions that took the slot machine law into court and resulted in a ruling by Judge Charles Marbury that the law was unconstitutional. The commissioners have not decided whether to contest this ruling.

McLeish was prepared to show his client is not connected with any outside "mob" and has complied with all provisions of the law concerning residence, good character and personal responsibility. This will be covered in an affidavit to be presented with a $1,000 check accompanying the license demand.

The Costello mob was reported to be anxious to use legalized slot machines as a wedge for getting into the general gambling field in the county.

Federal Tax Threat

They were said to believe there is a specially good opportunity now because the old-line gambling barons of the area are under pressure from federal prosecutions for income tax evasion.

The prosecutions are said to involve a definite graft link between the gamblers and some county officials. The latter also are under investigation for failing to pay tax on their graft profits.

Two minor cases involving such officials have been settled, it was learned last night. One man is reported to have squared himself with the income tax bureau by paying a $58 fine. This case, it was reported, involved income from bonds which the official thought were tax exempt.

Another official was said to have had to pay nearly $1,000 to make up the difference between the income he got and the amount he reported.

Several other cases involving larger sums are being prepared for criminal action, including one of a county official who had $20,000 cash in a safety box, although his salary has never reached $3,000 a year.

Larger Sums Involved

Even larger sums are involved in the cases of several gamblers against whom prosecution has already been decided on or is being prepared. Their cases are said to run into millions of dollars, two of them having virtually admitted tax shortages of $200,000 each.

A businessman in the county, also, was reported under income tax scrutiny. His case is believed to have a gambling angle. He is a relative of a high county official.

6-21-49

WASHINGTON TIMES-HERALD

How Costello Made Kennedy Boss of Hall

By CHARLES VAN DEVANDER
National Affairs Correspondent

Michael J. Kennedy, late leader of Tammany Hall, former Congressman and close personal friend of President Roosevelt, knew inside-out the story of underworld influences in Tammany affa[illegible].

Two weeks before he met his death yesterday in an airliner crash near the Washington airport, Mike Kennedy gave this reporter a play-by-play account of how Frank Costello, the slot machine racketeer, brought about his election as leader of Tammany Hall in April, 1942.

The story was told in confidence, and with the warning: "If you print this, I'll deny it."

That confidence would never have been broken without Kennedy's permission as long as he remained alive and active in New York politics. Now that he is dead and his personal fortunes cannot be affected, it is being published with the knowledge that Kenndy wanted the story eventually to be told.

To set the events of seven years ago in proper perspective, it is necessary to recall that the election of Kennedy as Tammany leader was generally acclaimed at the time as marking the end of Tammany's opposition to Roosevelt's New Deal and the beginning of a new and cleaner regime in Tammany.

Kennedy, as a Congressman, had President Roosevelt's friendship and support. He had loyally backed the New Deal and the President's foreign policy in the House. In September, 1941, three months before Pearl Harbor, he cast a crucial vote for extension of the peacetime Selective Service Act despite his belief that he

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How Costello Made—and Broke—a Tam

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was "committing political suicide." The draft act extender, which won by a vote of 203 to 202, would have failed if he had followed what he considered political expediency.

When the Tammany leadership became vacant in the spring of 1942, Mike Kennedy becme a candidate for the post, as did Rep. James Fay and Rep. (now Justice) Joseph A. Gavagan.

How He Won

Kennedy's hitherto untold story of how he won out starts at Madison Square Garden during this period.

Kennedy had given away two fight tickets that had been sent to him, and, with his wife, was occupying two seats purchased at random from a ticket scalper. He found himself sitting behind Frank Erickson, the notorious bookmaker.

Between rounds, Erickson turned to him and asked, "How are you doing? Are you making any progress."

Mike replied, "The only progress I'm making is backward. My co-leader fell down a flight of stairs in the subway today and broke her leg. Now, instead of having a third of a vote, I've only got a sixth." (That is, his own.)

Erickson then asked, "How'd you like to meet a man who's got six votes?"

Meets Costello

Kennedy said he'd like very much to meet any man who had six votes on the Tammany executive committee. The next day Erickson telephoned him and told him to meet Frank Costello at the Madison Hotel. Kennedy said that up to then he had never known Costello "from Adam."

When he arrived at the rendezvous, Costello greeted him and asked, "Did you meet — — as you came in?"

The name he mentioned was that of a nationally known Democratic politician. Kennedy said he had not met him.

"He was here asking me to support ------," Costello said, naming another candidate for the leadership. "He was going out as you came in and I thought you might have run into him."

Sit Down for Talk

Kennedy and Costello sat down at a table for their serious talk.

"How many votes have you got?" Costello asked.

In reply, Kennedy said, he took out a pencil and drew a big round zero on the tablecloth.

"That's how many votes I've got," he said. "None. Have you got six votes?"

Costello replied in the affirmative.

Kennedy quoted the slot machine czar as saying to him:

"You're the first man I've met in this game who told me the truth. I think you'd be just the right man for leader of Tammany Hall. You're Irish, you've got a nice personality and you're a friend of the President."

The next morning, Kennedy said, he got a call from Dr. Paul F. Sarubbi, then leader of the First A.D. East.

"I understand you're a candidate for leader of the Hall," Sarubbi said. "I'm for you."

Kennedy said he replied, "That's fine. I don't know why you should be for me, but if you are, I'm glad to know it."

Other telephone calls followed. By the time of the election meeting, Fay had withdrawn in Kennedy's favor and it was all over.

Caused His Ruin

Ironically, his tie to Costello resulted in Kennedy's political ruin, as well as his initial success. A year after he had taken over the leadership of Tammany Hall, scandal broke, publicly involving Costello as the sponsor of the Supreme Court nomination for then Magistrate Aurelio.

Disinterested friends urged Kennedy at the time to seize the opportunity for a real cleanup of Tammany by demanding the resignation of Costell
tenants in the organization
cluding Clarence Neal and
Stand. Kennedy, although
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ual cleanup of the situation,
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Within a year he was him
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Costello Ends 'Vacation,' Returning to N.Y.

By ROBERT G. SPIVACK

Slot machine czar Frank Costello, who suddenly left for Hot Springs, Ark., when Newbold Morris charged that he was supporting Mayor O'Dwyer's re-election campaign, is returning to New York today in what associates declared was "defiance" of the Fusion candidate.

Word that Costello was due in the city drew a prompt charge from the Morris headquarters that "Costello is now back to take personal command of the underworld forces in support of O'Dwyer."

George Wolf, Costello's attorney, confirmed that his client was coming in.

Costello Disturbed

Costello was returning, a Morris spokesman said, because he saw a threat to his gambling empire in the growing possibility of a Fusion victory. Costello also was pictured as dissatisfied with the pre-election performance of Tammany Hall, of which the Fusionists say he is "the boss." It was also contended that Costello was disturbed by the repercussions of the now famous "Erickson Affair."

A second theory, advanced by Costello's friends, was that he was returning before Election Day to show that he was not going to be "pushed around" by Morris.

"It is very evident," a statement from Morris' office said, "that there has been a hurried change of plans because of repeated blunders by the Mayor and Tammany's sudden realization that Morris is moving up front in the race for Mayor.

"Costello is now back to take personal command of the underworld forces in support of O'Dwyer. You can rest assured that, with Costello back, his lieutenant, Frank Erickson, will be kept out of sight.

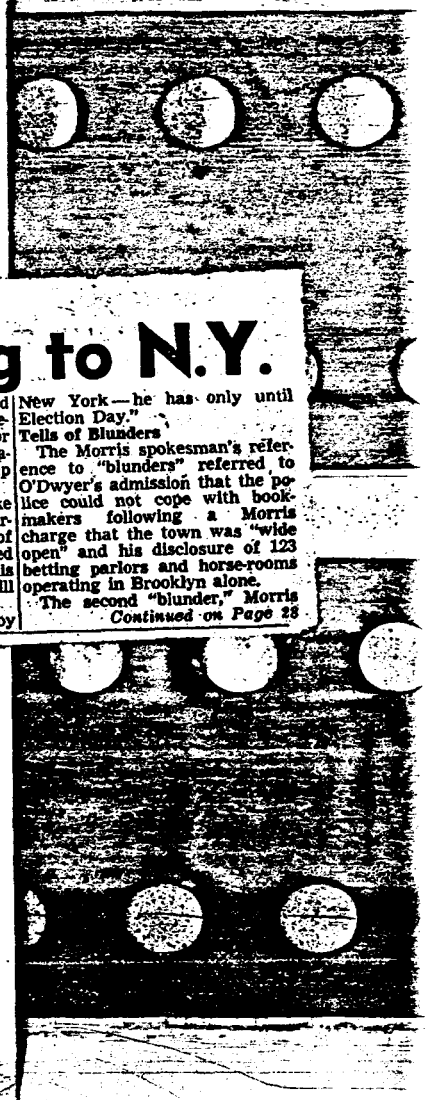
"Costello might as well enjoy New York—he has only until Election Day."

Tells of Blunders

The Morris spokesman's reference to "blunders" referred to O'Dwyer's admission that the police could not cope with bookmakers following a Morris charge that the town was "wide open" and his disclosure of 123 betting parlors and horse-rooms operating in Brooklyn alone.

The second "blunder," Morris

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83 DEC 13 1949

26 DEC 16 1949

CLIPPING FROM THE

N. Y. Post & Home News

OCT 31 1949

DATED

FORWARDED BY N. Y. DIVISION

Say Costello Returns To Push O'Dwyer Drive

Continued from Page 1

headquarters said, was the Mayor's decision to visit the National Democratic Club, which only last year he called a "cesspool" of political corruption. At a pre-election beefsteak dinner last Thursday night, the East's No. 1 bookmaker, Erickson, was one of the guests.

Morris charged in a radio broadcast that O'Dwyer evidently knew Erickson before their chance meeting because he started to "duck" as soon as he saw him and had his bodyguards interfere with photographers trying to get pictures of the two men.

Frameup Charged

O'Dwyer described the Democratic Club episode as a "Republican frame-up" of himself and former Gov. Lehman.

Morris noted that Erickson keeps an apartment at the New York Athletic Club. O'Dwyer is a frequent visitor to the club and on Saturday Morris demanded to know if the two men might be meeting there privately.

Although Wolf, Costello's attorney, offered no explanation of why his client was returning to the city, he said about 10 days ago that the bigtime gambler was "incensed" at Morris' charge that he had "driven Costello out of town." A Costello friend said that the slot machine king's pride had been hurt by Morris' remarks.

When this newspaper first disclosed on Oct. 13 that Costello had gone to Hot Springs, Wolf said he expected him to be away for quite a while. Costello, reached at a Hot Springs hotel, said he would be away for "10 days or so." Others close to Costello said he would stay away until after the election.

Following Morris' charge, Costello said he always took a "vacation" in Hot Springs at this time of the year. One Costello associate told this newspaper that "the boss" usually went there for the "baths" when the racing season was over, but that he could not recall Costello ever having gone there while the tracks were still open.

Timid Benefactor, That's Costello

Frank Costello, the gambling czar whose influence in city politics has become an issue of the present campaign, was cast in a different role today—that of a public benefactor shunning the limelight for his good deeds.

Last Friday newspapers were informed that Msgr. Francesco Pennini, Italian prelate, would hold a press conference late yesterday. He was to express the appreciation of his superior, Bishop Raffaele Barbieri, for the contributions from Mr. and Mrs. Costello that made possible the building of a children's home for war victims in Cosenza in Mr. Costello's native province of Calabria in southern Italy.

According to Charles Vallone, vice president and director of the Boys Club of Astoria, who was to act as interpreter for Msgr. Pennini, Mr. Costello, who was then in Hot Springs, was not informed of the proposed conference until after it had been scheduled.

"As soon as he heard of it, he sent the monsignor a telegram asking him to call off the conference," Mr. Vallone said. "He pointed out that if the conference was held at this time, it would be misunderstood, misinterpreted. He doesn't do these things for publicity, but that's the way it would be taken."

The press conference was called off.

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CLIPPING FROM Herald-Tribune
OCT 31 1949

58 DEC 5 1949

CLEVELAND PLAIN DEALER
October 26, 1949

page 12, column 1

EDITORIAL: Paul Bellamy, Editor

FBI - CLEVELAND
OCT 28 19

Re: LAW ENFORCEMENT MATTERS

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A Deceptive Front

Frank Costello has no connection with any municipal government—officially, that is.

But Frank Costello's name probably will figure in the proceedings of the American Municipal Association, national organization of administrative officials of city government, when the association holds its annual conference in Cleveland, Nov. 30 and Dec. 1 and 2.

That is because Frank Costello, a righteous appearing New Yorker, is regarded by the mayors of decently conducted municipalities to be the arch-type of today's racketeer—a big business man who conducts vice and gambling enterprises on a nationwide basis, or at least wherever a corruptive opening wedge for commercialized vice can be driven. Influential members of the American Municipal Association are urging that American cities enlist the assistance of the Department of Justice in smashing the vice and gambling empires of today's big-time racketeer, who operates behind a deceptive front.

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Frank Costello, Blasted by Morris, Suddenly Leaves City for 'Vacation'

By ROBERT G. SPIVACK

Frank Costello, a prime target in Newbold Morris' drive for Mayor, has suddenly left the city—probably for the duration of the election campaign, the Post Home News learned today.

The slot machine czar's "vacation" came after 11 days of repeated hammering by the Fusion nominee on what he claimed was underworld backing of Mayor O'Dwyer's candidacy.

The first attack came on Oct. 3, when Morris charged that Costello was "actively backing" O'Dwyer. The Costello name has been in the forefront of all Morris' attacks since then.

Costello is now at Hot Springs, Ark., where he was reached by this newspaper. He said he would be away from New York for "10 days or so."

His attorney, George Wolf, earlier had acknowledged that Costello was "out of town," but would not say where. However, Wolf said that Costello would be "away for quite a while."

Informed Democratic sources reported Costello was likely to remain away until after Nov. 8—but added that publicity on his departure might cause him to alter his plans.

Costello appeared to be surprised at receiving this newspaper's call, but was courteous, as he always is. He seemed to be in a room with three or four other men, who could be heard conversing.

He was asked to comment on Morris' charge that he had grown rich under the O'Dwyer administration. "Did he say that?" Costello asked. "It's the most ridiculous statement ever made. That's all I can comment on that."

He spoke for several minutes about the weather and other matters that he said he had "heard" this reporter was checking on. He asked how the climate was in New York. "It's about 90 degrees down here," he said.

Morris had said that O'Dwyer protects Frank Costello's politi- [illegible] "and Frank Costello down, every gangster, every extortionist, every bookmaker, is actively backing the present Mayor for re-election."

Morris also recalled the criticism of Costello's political influence voiced last spring by Franklin D. Roosevelt Jr. Morris mentioned that Generoso Pope, head of O'Dwyer's campaign finance committee, had defended Costello in an editorial in his newspaper Il Progresso Italo-Americano on May 8.

Twice within the last three days Morris scoffed at the Mayor's opening campaign speech, in which he said his administration has brought "the richer life" to New Yorkers. It was richer for politicians and racketeers, Morris charged.

Since making his first address, Morris has claimed, "The people have agreed with me that it was the 'richer life' for Frank Costello and every other mobster, extortionist and racketeer in town, but certainly not for the rest of us."

Following his original broadcast, Morris reported, his headquarters had received 1,080 telephone calls reporting the addresses of bookmakers throughout the city. Morris' broadcast and the response it received is reported to have seriously curtailed the bookies' activities.

G. I. R. 7

file

Is This Why F. Costello Left Town?



A LOOK AT THE RECORD of headlines in the Post Home News and other New York papers reporting the gambling attacks on Frank Costello, the slot machine czar, by Newbold Morris, Fusion candidate for Mayor, would seem to indicate why Costello left town so suddenly—to be gone, perhaps for the duration of the election campaign.

BRANIGAN A GUEST AT COSTELLO DINNER

Continued from Page 1.

dertaker, he said he was able to hold the city job as well because his brothers aid him in the undertaking establishment.

Minetti reported that the psychiatrist's son had had a distinguished war record as a bombardier with the Army Air Forces. He said he participated in forty-six missions against Germany and had made three crash landings, spending seven months in hospitals. Young Hoffmann has a disability rating of 100 per cent, Minetti added. He holds the Distinguished Flying Cross, Air Medal and Presidential Unit Citation.

Doctor at Party.

Dr. Hoffman, who lives at 870 Park avenue, attended the Costello party with Howard Chandlee Christy, the artist, and their wives. Mrs. Christy said she and her husband were introduced to Costello through Hoffman.

Costello told a reporter for The New York Sun that despite his withdrawal from the Salvation Army's campaign fund, he still considered it a good cause.

"I'm sorry," he added, "that I resigned, which I did to forestall any embarrassment on anybody's part. I always have been a contributor to the Salvation Army."

The gambler wouldn't discuss the party, which was held Monday in the Copacabana night club, and had a guest list of persons prominent in public office, the judiciary, politics, and private life.

"I don't ask any favors from anybody," said Costello, adding that he was a business man engaged in legitimate enterprises. "Anything I do comes from the heart, not the head."

Costello has also been a generous contributor to the Irvington House, a sanatorium for children with rheumatic heart disease, according to Frank F. Karelsen Jr., secretary of the board of directors. He said the gambler has never held any official position in campaign drives but had urged friends to contribute.

"We always accepted the donations, as we believe it our duty to do so," Karelsen added.

At present Costello is a member of the men's committee for the Legal Aid Society's annual campaign, according to a spokesman for that organization, who said he had been instrumental in getting contributions for the past several years.

Meanwhile political sparks were flying over the affair. At the opening session of the State Senate yesterday in Albany, the charges that racketeers had infiltrated both Republican and Democratic parties were made by opposing leaders.

Senator Elmer F. Quinn, minority leader and a member of Tammany Hall, declared that the Democratic party was not associated with racketeers.

'Get in Somehow.'

"Well, they get into your party somehow or other, Senator," asserted Benjamin F. Feinberg, Republican leader. He said he had been "interested" in the guest list at the dinner.

Quinn declared that some Republicans might have been present at the affair, which Costello gave as a vice-chairman of the men's division of the Salvation Army campaign. The welfare organization reported last night that he had resigned.

Senator Francis J. Mahoney, Manhattan Democrat, asked Feinberg if he would introduce him to Costello.

"Why not consult some of your Tammany leaders," replied Feinberg. "They will introduce you to him. They know him well."

In New York, City Councilman Edward Rager (R.-Manhattan) declared that he would ask the Council's Committee on State Legislation to investigate the office of Manhattan Borough President Hugo Rogers. Rogers was one of those attending the Copa-

Frank Costello Quits Charity Campaign Post

Frank Costello, successful fund raiser for the Salvation Army, has resigned as a vice chairman of the Salvation Army's drive to raise $1,000,000.

It all came about because of a successful dinner Mr. Costello gave Monday night at the Copacabana night club, 10 E. 60th St., Manhattan. Eight judges were among the 142 guests, admission price was $100 a plate, and the amount raised was in the neighborhood of $10,000.

But news reports of the dinner yesterday brought out the fact that the dinner-giver and the drive's vice chairman was Frank Costello, ex-convict and big-time gambler and slot machine king.

Feared Adverse Publicity

The Salvation Army thereupon announced that Mr. C. had turned in his resignation because of his fear that the attendant publicity might "adversely affect" the army's campaign. And the army explained that it never connected its vice chairman Costello with Frank Costello, ex-convict and gambling bigshot.

He had been a big contributor to the Salvation Army the year before and in preparing for this year's campaign the army invited its biggest contributors—including Costello—to become vice chairmen. A total of 123, including Costello, accepted.

Commissioner Donald McMillan, territorial commander of the Salvation Army, was asked whether the funds raised at the Costello dinner would be returned. He said in a statement:

"Certainly the S. A. does not intend to return funds which have been donated to it as a trust to be administered in the public interest and for the benefit of the thousands of men, women and children who are in need of its humanitarian services. The funds received from the dinner will be so used.

"Furthermore, the S. A. has been advised by its counsel that it has no legal right to refuse to accept funds or to return funds voluntarily contributed to it for the religious and charitable purposes for which the organization was founded."

Included in the list of guests mentioned as having attended the dinner at the Copacabana were: Manhattan Borough President Hpugo E. Rogers, the leader of Tammany Hall; Supreme Court Justices Morris Eder, S. Samuel Di Falco, Anthony J. DiGiovanna of Brooklyn, and Thomas A. Aurelio; and Howard Chandler Christy, the illustrator.

Justice DiGiovanna, when questioned, declined to say whether he had attended the dinner. His only statement was: "No comment."

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Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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CLIPPING FROM THE
N. Y. Brooklyn-Eagle
DATED JAN 26 1949
FORWARDED BY N. Y. DIVISION

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Mr. Tracy .....
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Mr. Curnea .....
Mr. Harbo .....
Mr. Mohr .....
Mr. Pennington ...
Mr. Gabin Tamm .
Mr. Neare .....
Miss Gandy .....
.....

Demands State Quiz Rogers on Costello Party

A state investigation of the attendance of Hugo E. Rogers, Manhattan borough president at a dinner attended by Frank Costello, one time slot machine king, was demanded today by City Councilman Edward Rager (R., Man.)

Mr. Rager said he would seek the investigation at the next meeting of the City Council on Feb. 1. Recently Mr. Rager had filed a resolution asking for a state investigation of the O'Dwyer administration.

L'affaire Costello, meanwhile, was heightened by his resignation as a vice president in the 1949 fund-raising campaign of the Salvation Army. One of 123 vice presidents, a post given him in recognition of past generous donations, Mr. Costello promoted a $100-a-plate dinner party at the Copacabana Monday night, with all funds going to the Salvation Army.

Among Those Present.

When newspaper stories reported yesterday that Mr. Costello's guests included a group of public officials, including five Supreme Court justices, a lot of faces turned red in the environs of City Hall and Foley Square.

Most of them declined to discuss the matter, but Mr. Rogers, who happens to be leader of Tammany Hall, said he had no qualms at having attended. He said he went to aid a worthy charity.

This was followed by an announcement that Mr. Costello had retired from his charitable connection since his further participation might do harm. In all $10,000 was turned over to the Salvation Army as proceeds.

Will Keep Money.

Commissioner Donald McMillan, territorial commander of the Salvation Army, declared that the Army had no intention of returning the money.

He said it had been donated "as a trust to be administered in the public interest and for the benefit of the thousands of men, women and children who are in need of its humanitarian services."

"Furthermore," Commissioner McMillan added, "the Salvation Army has been advised by its counsel that it has no legal right to refuse to accept funds or to return funds voluntarily contributed to it for the religious and charitable purposes for which the organization was founded."

At the same time State Sen. Benjamin F. Feinberg, the Republican majority leader, seized on the incident to flail the Democrats for their alleged association with racketeers. Mr. Feinberg said that Mr. Rogers was a close friend of Mr. Costello whom he described as a gambler and an ex-convict.

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Mr. Quinn Tamm	
Mr. Ncase	
Miss Gandy	

Costello's $100 Dinner Embarrasses Charity

Frank Costello, slot machine king, gambler and ex-convict, sponsored a $100-a-plate dinner for the Salvation Army last night, but today the Salvation Army somewhat embarrassedly said he had done it all on his own.

"Mr. Costello is merely one of 123 vice chairmen of the men's division of our current campaign," said C. Frank Kramer, campaign director. "A great many people give dinners for the benefit of our campaign. Mr. Costello handled his solely on his own. There was nobody from the Salvation Army present."

The guests proved strangely camera-shy, since neither reporters nor photographers were permitted to go downstairs in the basement supper club.

Mr. Kramer said that Mr. Costello had always been a large contributor to the Salvation Army.

"It was because of this that he was invited to serve in the men's division," Mr. Kramer said. "However, we were unaware that he was the Frank Costello who had received so much publicity."

Mr. Costello has been active in the current campaign to raise $1,100,000, Mr. Kramer said. He estimated that the gambler had already turned in over $10,000 in donations from himself and friends. He added that he had no idea how much had been realized at the Copacabana affair.

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Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Gandy	

Son of Costello's Doctor Climbs City Job Ladder

Frank Costello's attempt to rise on the social ladder was suggested by a prominent Park Ave. psychiatrist, it turned out today. Dr. Richard H. Hoffmann of 870 Park Ave., to whom the ex-convict had gone for advice, declared:

"I advised Mr. Costello to get out and meet nice people."

One result of that advice appeared to be the celebrated $100-a-plate shindig at the Copacabana Monday night reportedly attended by several Supreme Court justices, a member of Congress, numerous lowlier politicians, and Dr. Hoffmann.

Silent on Son.

Dr. Hoffmann, who is married to the former stage actress Janet Beecher, however, refused to discuss his son, Richard Wyndham Hoffmann, 27, who is employed as a publicity man in the Department of Marine and Aviation.

Neither would the younger Hoffmann discuss his $5650-a-year job to which he was transferred last April from a $3510 post as confidential inspector in the office of Hugo E. Rogers, Manhattan Borough President. Mr. Rogers, who also happens to be a leader of Tammany Hall, was also one of Mr. Costello's guests Monday night.

But Mayor William O'Dwyer bluntly informed reporters: "On his record, Mr. Hoffmann is entitled to the confidence of this administration without regard to his father or his father's business."

Young Hoffmann, the Mayor added, was an Air Force veteran with 46 missions to his credit, a hard worker and attentive to his duties.

Mr. Costello, meanwhile, wasn't talking. Apparently holed up in his luxurious apartment at 115 Central Park West, on the southwest corner of 72nd St., Mr. Costello celebrated his 56th birthday yesterday.

2 Charities Welcome Him.

At least two charitable organizations hoped that Mr. Costello would continue his contributions. They were Irvington House, a children's sanitarium, and the Legal Aid Society, on whose fund-raising committee Mr. Costello is a vice president.

"We have various committees in our campaign to [redacted] this year," a Legal [redacted] said. "After Mr. [redacted] a good-sized check [redacted] letter if he want[s] money.

"Those are letters [redacted] dreds. Mr. Costello [redacted] we got checks fro[m] Mr. Costello is on [redacted] that particular [redacted]

6- Job fee

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Mr. Pennington
Mr. Quinn Tamm
Mr. Speese
Mr. Candy

Branigan Ate That 100-Buck Dinner

By JOSEPH MARTIN

James E. Branigan, National Democratic Club president, yesterday became the latest political bigwig to admit he had attended gambler Frank Costello's $100-a-plate charity dinner at the Copacabana nightclub Monday night.

Branigan said he got his invitation to the now-famous dinner, which raised $18,000 for the Salvation Army, from Barney B. Schlinger, importer of children's wear at 1350 Broadway.

Knows Him? No Comment.

But Branigan, who sat at the dinner in the company of scores of prominent jurists, Tammany leaders (including the Wigwam's big chief, Manhattan Borough President Hugo Rogers and other luminaries, declined to say whether he was acquainted with the ex-convict slot machine czar.

"No comment," he shrugged when the question was put.

Mayor O'Dwyer also heard the name of Costello yesterday as he undertook to defend the appointment as secretary to the Department of Marine and Navigation at $5,650 a year Richard W. Hoffman Jr., son of Costello's psychiatrist and close friend.

Has Impressive Record.

O'Dwyer admitted that young Hoffman, a wartime bombardier with an impressive record who formerly worked for $3,510 a year as an investigator for Borough President Rogers, had been named to his more lucrative post on recommendation of Frank J. Sampson, former head of Tammany. Sampson was named head of the organization after O'Dwyer ousted the forces of Clarence Neal and Bert Stand.

"On his record, Mr. Hoffman is entitled to the confidence of this Administration without regard to his father or his father's business," O'Dwyer said.

George Wolf, Costello's lawyer, revealed yesterday that the gambler has been active in fund raising for two other charitable institutions. He said Costello raised funds for and personally contributed to the work of Irvington House, which operates a hospital for children's heart diseases at Irvington, N. Y.



James E. Branigan
He was at Costello dinner.

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Glad He Went, Rogers Says of Costello Party

Borough President Hugo E. Rogers of Manhattan, leader of Tammany Hall, said today he had been "glad" to attend the Salvation Army campaign dinner given last night by Frank Costello and at which numerous judges and other public officials were present.

The $100-a-plate dinner was sponsored by Costello, big-time gambler and ex-convict, at the Copacabana, 10 E. 60th St., Manhattan, in his capacity as a vice chairman of the men's division of the 1949 Salvation Army campaign.

The Rogers statement, distributed by his executive manager, Alexander P. Chopin, declared:

"During two world wars and as a public official I have had the opportunity to know at firsthand the very fine work accomplished by the Salvation Army. I attended this fund-raising campaign dinner and am glad to help further the purposes of the Salvation Army at all times. I am not interested in or have a comment to make on the personalities involved."

Rogers refused to comment on whether he had paid for his ticket.

C. Frank Kramer, campaign director, asserted that "Mr. Costello is merely one of 123 vice chairmen of the men's division of our current campaign.

"A great many people give dinners for the benefit of our campaign," he added. "Mr. Costello handled his solely on his own. There was nobody from the Salvation Army present."

Kramer added that Costello has always been a large contributor and that was the reason he was asked to serve as a vice chairman. He estimated that the gambler had already contributed more than $10,000 from himself and his friends.

"However," Kramer said, "we were unaware that he was the Frank Costello who had received so much publicity."

Mr. Tolson
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Mr. Gurnea
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Mr. Quinn Tamm

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Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Tamm	

Hoods, Elite Mixed At Frankie's Fiesta

Sitting shoulder to shoulder with Supreme Court Justices, city officials and other top-drawer politicos at Frank Costello's $100-a-plate Copacabana dinner last Monday, were two of the archdukes of New York's predatory underworld, it developed yesterday along Broadway.

Vito Genovese, arrested several times on murder charges and for many other crimes dating back to 1917, not only was present but was paid the elaborate tribute of having a committee meet him at the door and escort him to his reserved chair.

Dandy Phil Also Present.

Also present was Philip (Dandy Phil) Kastel, a crooked broker indicted in 1924 for mail fraud, convicted of stock gyps after three trials in 1926 and often linked with bucket shop operations, one of which bankrupted Dillon & Co in 1922.

Although Costello insisted his principal purpose in throwing the party was to raise money for the Salvation Army—which was done—Broadway was grinning widely yesterday. Frankie, well-informed sources said, is cute enough to think of a front like that, but the real reason for the p show anybody who m ting ambitious that runs the works in Ne

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Mr. Nease	
Miss Gandy	

Hits 'Costello Boys' On 15th A. D. Choice

Frank Costello

Richard G. Green, Manhattan attorney and Democratic county committeeman, today charged the "Costello boys" with using "strong-arm tactics" during a meeting called to choose new leaders for the 15th a. d. Democratic organization of Washington Heights.

Green identified the "Costello boys" as Francis X. Mancuso, 16th A. D. Democratic leader, and Tammany Chairman Hugo Rogers.

Green said Mancuso tried to push him off a platform during a stormy district committee meeting last night at P. S. 132, Wadsworth Av. and 132d St., and that Rogers had used methods "never condoned even in Germany or the Soviet Union" in hand-picking a new leader.

Rogers today said the charges were "ridiculous" and that there was "no roughhouse." "Mancuso is no Tarzan or athlete. He is a 65 or 67 year-old-man. It's just an attempt to get publicity. A lot of people are looking to get publicity for themselves at our expense," Rogers declared.

Green said the dispute started when Rogers and Mancuso attempted to impose Edward Moclair, whom he termed "the man nobody knows," as new leader in half the district. Rogers insisted Moclair was elected "by a majority—in fact 99 per cent" of those present.

Green charged that the two Tammanyites had enlisted the aid of Miss Margaret Mangan, assistant librarian at the Supreme Court, who presided. This is Green's version:

"Reading from typewritten slips of paper in front of her, the chairman suddenly started to recognize delegates from the floor. Some of them were asleep and didn't even know they had been called on.

"The next thing we knew a man named Moclair, whom nobody ever heard of, was nominated and elected. I asked for a count of hands and was refused. We were not even allowed to nominate."

At this point Green said he tried to speak, and Mancuso tried to push him.

"When I said if they were big enough they could try to stop me, Rogers and Mancuso had the meeting adjourned and rushed out with their hand-picked candidate. I don't know where they learned their politics. They didn't learn them from Charles Murphy. He didn't run things that way when he was leader."

Mancuso and Rogers were guests at Frank Costello's Copacabana charity dinner for the Salvation Army last Monday night.

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Mr. Harbo
Mr. Mohr
Mr. Bennington
Mr. Mumford
Mr. Neease
Miss Gandy

Heard Around CITY HALL

Rogers May Pay With Job For Part in Costello Shindig



Heard Around City Hall, weekly roundup of behind-the-scenes news, appears each Friday. Today's contributors are Ray Ghent, Murray Davis, Richard D. Leahy, Walter MacDonald, Harry Feeney and Norton Mockridge.

Frankie Costello's little charity soiree at the Copa is sure to have repercussions in the Mayoralty campaign this fall. Probably will cost Borough President Hugo E. Rogers his job.

The Mayor's advisers already are scraping around for a replacement. When Mr. Rogers was nominated in 1945, no one ever had heard of him; trouble today is that every one has heard of him, but in the wrong connection. Chief of Tammany Hall, pal of Costello, and so on.

• • •

Then, too, Mr. Rogers, if given the chance to run again, would like ALP indorsement from his friend Rep. Vito Marcantonio. But the Mayor has made it painfully clear he doesn't want that kind of player on his team. The brains at City Hall aren't dissatisfied with Mr. Roger's work as borough prexy; they just figure he doesn't know when to keep his mouth shut and stay away from compromising scenes.

• • •

Third Deputy Police Commissioner William P. O'Brien likely to succeed the late Thomas F. Mulligan as first deputy commissioner. This would bring quite a bit of reshuffling in the department with either Chief of Detectives George P. Mitchell or Assistant Chief Inspector John J. Martin moving into third deputy commissionership, according to high levels at Police Headquarters. Another man slated to move up in the rearrangement is Deputy Chief Inspector William T. Whalen, long-time friend of Mayor O'Dwyer.

• • •

The Mayor, whose vacations have had more interruptions than the Long Island Rail Road, is going to try again. Friends say he will leave around the middle of next month for his brother's ranch in El Centro, Calif.

• • •

Current budget probably will be Budget Director Thomas J. Patterson's last. He's thinking of retiring in the spring. Logical successor would be Abraham D. Beame, assistant director.

• • •

Although there are signs posted at each subway terminal telling train crews how to regulate ventilators, windows and heat to conform to changing weather conditions, very little attention is paid them. As a result, many subway cars are miniature Turkish baths during this mild winter. We wonder whether there might not be more comfort in the subways if the three $20,000-a-year commissioners were to put aside their shiny, chauffeured, city-furnished Buicks and ride underground to and from their offices.

• • •

Revolt growing among Brooklyn Republicans against the long, unproductive reign of County Chairman John Crews. GOPers are talking about trades with Democrats that too often seem more favorable to the other party. And then too there's the feeling that Mr. Crew's opposition to Mayor O'Dwyer's try for re-election will not be the most vigorous possible.

• • •

Whatever became of those reports that Sen. Robert Wagner would retire right after the 81st Congress got under way? Best tip, reported in this column months ago, is that he'll hang on until a Democrat can get a whack at the job.

• • •

Suspicious upstate Republicans reported in high excitement this week that the Mayor is going to run for Governor in 1950. Some had proof positive, citing the fact that the Mayor has been sending thousands of condolence cards to upstate families whose G.I. dead bodies are being returned through the Port of New York. Mayor's office, reports, however, that more than 15,000 letters have gone out, to cities and towns all over the country, simply with the idea of expressing some appreciation for the great sacrifice. Some 300 replies have been received, a few from so far as Texas, thanking the Mayor for his thoughtfulness.

• • •

A lot of politicians think Frank Costello was unduly hard on the eight judges and other prominent citizens who attended his dinner. Wasn't enough that they kick in to the charity; they also had to

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Costello's Copa Gaper Chills Rogers' Chances

(Continued From Page 21.)

show up and be seen in public with him. But the next day the judges scurried for sanctuary. Some of them stayed on the bench hours longer than is their wont—just to be safe from inquiring reporters.

• • •

President Truman's inaugural underscored an unpleasant little fact that local Democrats have known for some time—that the lion's share of federal patronage, which used to pour into New York in the Roosevelt era, is spreading westward. Pickings going to be mighty poor unless New Yorkers can cultivate a Missouri accent.

• • •

BREVITIES: Although Dr. Edward Bernecker has retired as Commissioner of Hospitals, he just can't tear himself away. Still giving time and effort to get things running under the hand of his successor. . . . That old borough presidency urge still surges in the breast of Bronx Councilman Charles Keegan. Friends are sounding the drums, but the echoes are coming back: Jim Lyons.

• • •

Comptroller Larry Joseph and his lieutenant, Eddie Anker, making goodwill for November by attending testimonial dinners and being seen at the right gatherings (They weren't at the Copa, by the way). . . . Milo Maltbie, retiring Public Service Commission chairman, rumored to be in line for a $16,000 annual pension.

• • •

Brooklyn political leaders looking for an Italian-Catholic to run against Supreme Court Justice Francis X. Giaccone who was appointed by Gov. Dewey to fill the post of the late Justice Harry E. Lewis. . . . Arthur Noble Gleason, Utica attorney, in town visiting old friends at Bar Assn. meetings.

Louis B. Heller, Democratic candidate for Congress in the special Brooklyn election Feb. 15, took one look at the huge Truman vote figures in that borough. Then he took to the streets with a sound truck, proclaiming he's "100 per cent" behind the President's platform.

• • •

Representatives of the city's newspapers who took part in the Golden Anniversary broadcast over WNYC got recordings of their remarks, compliments of the Mayor. Gives the scribes a chance to hear what they sound like instead of just reading what they write like.

TOMORROW: Read "Heard in Washington," weekly size-up of the capital scene by Scripps-Howard's Washington staff. Don't miss Saturday's World-Telegram.

Judges' Host Costello Quits as Fund Raiser

By Joseph Martin and Henry Lee

Ex-convict Frankie Costello's brief public flyer at raising money for charity ended yesterday, less than 24 hours after he threw a $100-a-plate dinner at the Copacabana in behalf of the Salvation Army.

The Army quickly disclaimed knowledge of the dinner and just as quickly accepted the veteran gambler's resignation as a fund-raising chairman. It also accepted the funds reportedly grossed—$18,000, at least $10,000 of which flowed in yesterday.

The Copa dinner was quite a distinguished affair, reportedly attended by five Supreme Court justices, three lower court judges



Frank Costello
His party reddens faces.

and 142 other guests. Frankie was said to have shelled out $2,40[illegible] in food-liquor expenses.

Calls It "Stinking Mess."

The S. A., accepting the resignation, said that Costello himself had feared the publicity might "adversely affect" the $1,000,000 campaign here. "It's a stinking mess," an S. A. spokesman said.

Commissioner Donald McMillan, territorial commander of the S. A., said last night: "Inquiry has been made of the S. A. as to whether it intends to return the contribution made by the guests who attended the dinner last evening at the Copacabana Club.

"Certainly the S. A. does not

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CLIPPING FROM THE
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DATED JAN 26 1949
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Costello, Host to Judges, Resigns as Fund Raiser

(Continued from page 1)

vised to return funds which have been donated to it as a trust to be administered in the public interest, and for the benefit of the thousands of men, women and children who are in need of its humanitarian services. The funds received from the dinner will be no exception."

No Right to Refused.

"Furthermore, the B.A. has been advised by its counsel that it has no legal right to refuse to accept funds or to return funds voluntarily contributed to it for the religious and charitable purposes for which the organization was founded."

Other developments were:

1. A statement from an Albany spokesman who said: "Costello put



Justice Aurelio Justice Loscalzo

Shy on comment.

on the dinner without our knowledge. We didn't know Frank Costello was THE Frank Costello. He was just one of several hundred members in fund-raising committees, all of whom are called vice chairmen."

2. The reaction of the invited judiciary was peculiar, ranging from outright admission of attendance through august unavailability in chambers to what was practically a plea of nolo contendere. Some of the judges, refusing to affirm or had alibis for Monday night but would not disclose them. Mostly, though, they just did not want to talk.

Echoes in 2 Capitals.

3. The repercussions of what all hands called a quiet little get-together—wives were taken along—reached to Washington and Albany. In Washington Representative Arthur Klein (D-N. Y.), also reported among the guests, was among the unavailable. His secretary, Harry Buckles, said: "This floors me." In Albany, Senate Republican Majority Leader Benjamin F. Feinberg, debating whether the Democrats protected racketeers in New York, cited Costello's party and a newspaper description of him as "a gambler and ex-convict" who "has testified to his influence in judicial nomination by Tammany."

Among the select few who conceded frankly that they had tried the chicken okra and biftek sirloin in Costello's presence were Man-



Justice Eder Hugo L. Rogers

Admit they were at party.

hattan Borough President Hugo L. Rogers and Supreme Court Justice Morris Eder.

Justice Surprised.

Through two wars and as a public official, Rogers said, he has developed into a real enthusiast for the Salvation Army, thus explaining his presence. He added: "I am not interested in or have any comment to make on the personalities involved." He also refused to say whether he had got up the $100 for his plate.

Justice Eder reported that he had been "invited by a Wall St. corporation", and could not understand the "fuss," the protest and "The Copacabana is a public place, and it was a public dinner."

However, this group was not invited—which is almost spectacular in night club circles—and among guests whom the judicial minutiae identified as lawyers kept phoning nephews from tinseling the various cozy table scenes. Justice Eder said he went with his wife, not with Klein. Naked lawyers who got with Costello.

"He's no friend of mine!" Justice Eder added.

Less available than Eder was freshman Supreme Court Justice S. Samuel DiFalco, who announced through his secretary, P. Vincent Viggiano: "Quote—no comment—unquote." Pressed as to some judicial interpretation of the statement by the unavailable jurist, Viggiano said coldly: "I would not attempt to determine what was in the judge's mind."

Also on the bench, in chambers, out to lunch or some other place unreachable by telephone were Supreme Court Justices Algeron I. Nova and Anthony J. Di Giovanni, also Brooklyn.

Justice Thomas A. Aurelio, whose reputed connections with Costello had embarrassing complications when he made the bench several years ago, said: "I was at the Copacabana last night with Mrs. Aurelio for dinner."

Asked whether he was referring to Costello's blowout, he repeated word-for-word his little social note. Asked whether perchance his Copa evening had cost him $100, he said: "I don't care to say any more."

No Mystery, He Says.

Sitting in Bronx Special Sessions, Justice Joseph Loscalzo was equally close-mouthed at first



Judge Downs Justice Di Falco

Have no statements.

about his possible generosity to a worthy cause.

"No comment—comma—no comment," he said.

Asked why any mystery should be connected with a purely helpful enterprise, he added. "There is no mystery. If you want to know if I was at the Copa last night—yes. Did I attend the dinner? Yes. Anything else—no comment."

Had he got up the $100? "Not yet."

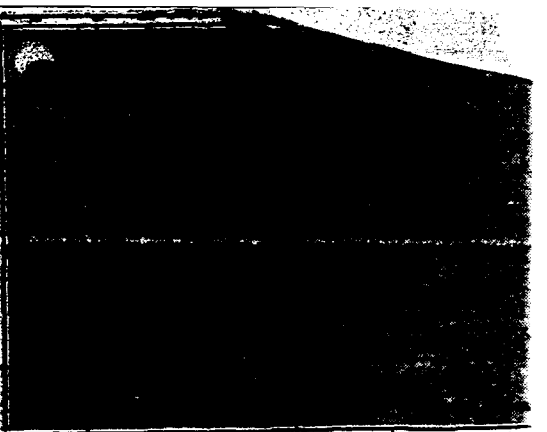
New York County Court Judge Louis J. Capozzoli and Board of Elections Commissioner Carmine G. DeSapio—also supposedly present—could not be reached yesterday. Capozzoli was reported on the bench, DeSapio home sick with a cold.

Queens County Judge Thomas Downs issued a two-sentence statement and stuck to it, despite all additional questions: "I have no statement to make as to where I was between the hours of 7 P. M. and 10 P. M. Monday evening. I was home in bed by 11:30 P. M."

An investigation of the dinner, as well as Rogers' office, was demanded in a resolution drawn by City Councilman Edward Rager, Manhattan Republican. He said that in the City Council's next meeting Tuesday he would ask the council's Committee on State Legislation to include the resolution in its consideration of his recent measure calling for a legislative probe of the city administration.

Boost for Costello.

Off the record, one high jurist thought that on the record some one ought to plug Costello for the



Copy of the invitation to Costello's $100-a-head party.

"sincerity" with which he is now trying to rehabilitate himself.

This legal mind, analyzing his own warmth for Costello, described the ex-con as "a man who has received a lot of unfair publicity because he was suspected of having a gun on his person some years ago, and since that time has been making every attempt to rehabilitate himself."

Artist Enjoyed It.

As a matter of fact, Costello has been arrested four times and once was sentenced to a year in the pen for toting a concealed weapon. The other charges were assault and robbery, conspiracy and an income-tax misunderstanding in New Orleans, no final disposition noted.

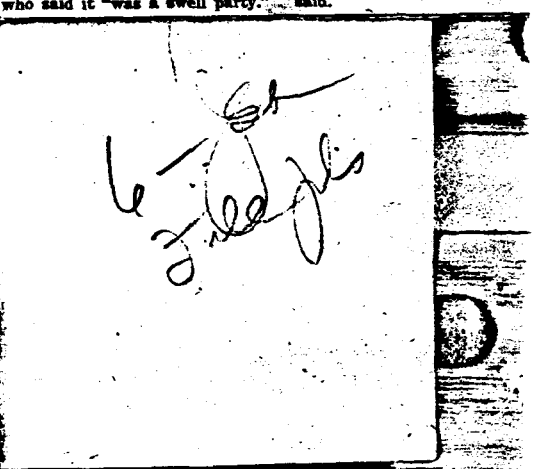
The most free-talking was the artist, Howard Chandler Christy, who said it "was a swell party."

"It was a lovely party," his said, bidding him up a little, I never met so many judges i life."

Christy said he had met Co some years ago through Dr. ard Hoffman of 870 Park Av well known psychiatrist, wh invited him to Monday night fair.

At first, Dr. Hoffman's secr felt that the psychiatric ca the office had already bee much disturbed. Later Dr. man came through with his nation, too. Costello is just tient, he explained.

When Costello first came t the doctor declared, he w shaken man. He couldn't slee seemed to have worries. Dr. man prescribed golf, gard and also meeting "nice peopl said.



Mr. Tolson	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	

Costello Quits Salvation Army '49 Fund Drive

Drops Out After $100-Plate Dinner Which Judges and Tammany Chiefs Attended

By Denis Tilden Lynch

The Salvation Army announced yesterday that Frank Costello, a reported power behind Tammany Hall, had withdrawn as one of its 123 vice-presidents in its drive to raise $1,100,000.

The announcement came from Rai Vir Den, general chairman of the fund-raising campaign, a few hours after Mr. Costello had presided at a $100-a-plate dinner at the Copacabana from which reporters and news photographers were barred.

Shortly before Mr. Vir Den announced Mr. Costello's withdrawal, C. Frank Kramer, director of the Salvation Army campaign, told reporters that the organization was unaware that Mr. Costello was the ex-convict and slot-machine operator when they appointed him a vice-president.

"I have just been informed by Mr. Kramer, director of the campaign," said Mr. Vir Den, "that Mr. Frank Costello, through his attorney, Mr. George Wolf, has notified Mr. Kramer that inasmuch as he is fearful that any further publicity in connection with his participation in the cam-

(Continued on page 6, column 3)

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EX-22
8 MAR 16 1949

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N. Y. Herald Tribune
DATED JAN 26 1949
FORWARDED BY N. Y. [illegible]

50 MAR 24 1949

Costello Withdraws as Official Of Salvation Army Fund Drive

Quits After $100-a-Plate Dinner Which Judges and Tammany Chiefs Attended

(Continued from page one)

paign may adversely affect it, he withdrew from the campaign."

Mr. Kramer said that Mr. Costello had made "a substantial contribution" in 1948 to the Salvation Army and added: "Because of this, we appointed him a vice-president in this year's campaign. Last night's dinner at the Copacabana was Mr. Costello's. The Salvation Army had nothing to do with it. We had no representative there. He did it on his own."

Mr. Kramer said that the 1948 contribution was the only one received by the Salvation Army from Mr. Costello.

The dinner at the Copacabana, night club at 10 East Sixtieth Street, was attended by Hugo E. Rogers, Borough President of Manhattan and leader of Tammany Hall, along with the top leaders in Tammany and many judges from the City Court, County Court, General Sessions and the Supreme Court.

Discussed at Albany

The dinner, which was attended by 500 guests, was the subject of debate at the opening session of the State Senate yesterday in Albany.

Senator Elmer F. Quinn, minority leader and a member of Tammany Hall, had asserted that the Democratic party was not associated with racketeers.

"Well, they got into your party somehow or other, Senator," retorted Senator Benjamin F. Feinberg, Plattsburg Republican and majority leader. "I was interested this morning in a copy of the New York Herald Tribune giving a list of the guests who attended Frankie Costello's dinner at $100 a plate."

"You might find some Republicans there, too," said Senator Quinn.

Senator Fred G. Moritt, Brooklyn Democrat, asked: "Who is Frankie Costello, Senator?"

"Well, I will tell you," replied Senator Feinberg. "This paper answers it. He is a gambler and ex-convict who testified to his influence in judicial nominations by Tammany."

Senator Francis J. Mahoney, Manhattan Democrat, inquired if Senator Feinberg would introduce him to Mr. Costello, saying, "It might be of interest to know him."

Feinberg Is Affable

"Why not consult some of your Tammany leaders," answered Senator Feinberg. "They will introduce you to him. They know him well."

"Which ones, Senator," persisted Senator Mahoney.

"The leader of your Tammany organization," responded Senator Feinberg.

"I understand this was for the benefit of the Salvation Army," countered Senator Mahoney.

"If I had anything to do with the Salvation Army, I would refuse to accept the funds that come from this kind of an affair," said Senator Feinberg.

While the Senate debate was in progress, Mr. Kramer said that Mr. Costello had given more than $10,000 in contributions from his friends and himself, in the current campaign.

As for the proceeds of Monday night's dinner, Commissioner Donald McMillan, territorial commander of the Salvation Army, said the organization "does not intend to return funds which have been donated to it as a trust to be administered in the public interest and for the benefit of the thousands of men, women and children who are in need of its humanitarian services."

Commissioner McMillan said that the army's counsel had advised him that he had no legal rights to return funds, voluntarily contributed for religious and charitable purposes. He did not reveal the amount of money received, but it is known that 700 persons attended the $100-a-plate dinner.

Mr. Walt, one of Mr. Costello's counsel, said the party was a success.

"It was a lovely event and a fine affair," he continued. "Anybody in the City of New York should have been proud to be at that party."

Mrs. Howard Chandler Christy, wife of the artist, agreed, saying: "It was a lovely affair. I never met so many judges." Mrs. Christy attended the dinner with her husband, in company with Dr. and



Herald Tribune—Acme
Frank Costello

Mrs. Richard H. Hoffmann. She said the Hoffmanns introduced them to Mr. Costello.

"Dr. Hoffmann is a psychiatrist," said Mrs. Christy.

He is one of Mr. Costello's medical advisers.

Borough President Rogers said he had attended the fund-raising dinner and was "glad to help further the success of the Salvation Army at all times."

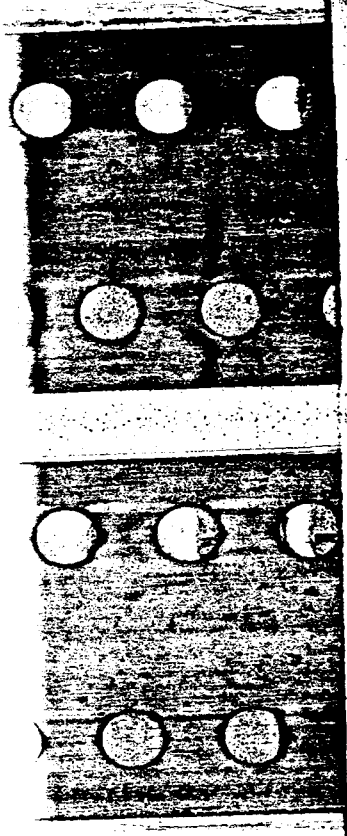
"I am not interested in, nor have I any comment to make on, the personalities involved," said Mr. Rogers.

Asked about a report that Frank Costello was the guest of honor at his dinner in Washington last Thursday night, Mr. Rogers said: "I gave a dinner to my entire delegation. I left printed notices with all of them that they might invite any of their friends. I left the dinner at 9 p. m. because I had to meet some people. Whether Mr. Costello came there after I left, I do not know. I did not invite him, and I did not see him at the dinner while I was there."

Several of the judges listed as having attended the dinner admitted being there. Others declined comment.

The names of the judges, and some of the Tammany district leaders at the dinner were made public by Mr. Walt.

Later, City Councilman Edward Ragar, Manhattan Republican, said that at the next meeting of the council, on Tuesday, he would ask for an investigation of the office of Borough President and the Costello dinner to be included in his previous request for investigation of the city administration by the State Legislature.



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S.A. to Keep $16,000 But Disavows Costello

The Salvation Army today made it clear that it will 'in good conscience' keep the proceeds accruing from Frank Costello's now celebrated $100-a-plate dinning at the Copacabana.

The Army said it regards the estimated $16,000 as "a trust to be administered in the public interest."

The S.A. readily accepted the slot machine racketeer's resignation as one of 123 vice-chairmen in its 1949 drive for $1,000,000, which followed the explosion of notoriety concerning Monday night's affair, and revealed to the organization for the first time Costello's true identity.

Some Judges Embarrassed

There was also some embarrassment among the guests at the affair, including several judges, a Congressman and other political notables.

Commissioner Donald McMillan, territorial commander, said: "Inquiry has been made of the S.A. as to whether it intends to return the contribution made by the guests who attended the dinner Monday evening at the Copacabana Club.

"Certainly the S.A. does not intend to return the funds which have been donated to it as a trust to be administered in the public interest and for the benefit of thousands of men, women and children who are in need of its humanitarian services. The funds received from the dinner will be so used."

Aided Many Charities

The Copa hotly, which had among its guests Borough President Rogers, disclosed to the visitors as many that Costello had covered the tabs at charity.

As a matter of fact, it was this hitherto unknown Costello activity that won him his appointment as one of the S. A. fund's vice-chairmen, they having been chosen from among the substantial contributors to the 1948 campaign.

Costello's attorney, George Wolf, described him also as a recent campaign committeeman for Irvington House, the Legal Aid Society and the Catholic Boys Club, and a contributor to the Herald Tribune Fresh Air Fund.

Purely Charity to Rogers

The guest list of the Costello clambake at the Copa included, besides Rogers, Supreme Court Justices Eder, Di Falco, Di Giovanna and Aurelio. Also attending were the well known illustrator, Howard Chandler Christy, and others.

Rogers, who also is Tammany leader, took the position he attended the party purely as a charitable affair, and one of four on his schedule for the evening. Most of the other guests either declined to take any position at all or were unavailable to comment even so much as "no comment."

Among other repercussions of the Costello affair was the announcement by Councilman Rager (R-Man) that he would ask the Council's Committee on State Legislation to include in its resolution seeking an investigation of the City Administration a resolution asking an inquiry into the Borough President's office and the Copacabana dinner.

51 APR 7 1949

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Harbo
Mr. Belmont
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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EX-95 83 MAR 16 1949

CLIPPING FROM THE
N. Y. Post Home Ne
DATED JAN 26 1949
FORWARDED N. Y. DIV.

Wigwam Braves Whoop It Up With Gambler Costello

By LOUISE MITCHELL

Gamblers, lads and lassies and public officials ate and drank at a $100 a plate Salvation Army campaign dinner at the Copacabana, but haven't heard the end of their soul-saving orgy. Vity Hall was buzzing yesterday with the news that ex-convict Frank Costello had sponsored a Salvation Army campaign dinner Monday night at the Copacabana.

Present at the gala festivities Manhattan were Borough President Hugo E. Rogers, leader of Tammany Hall; Supreme Court Justices S. Samuel DiFalco, Thomas A. Aurelio, Anthony J. DiGiovanna, Morris Eder and Algeron L. Nova; Judge Thomas Downs of Queens County Court; Clarence Neal, a former Tammany leader; Generoso Pope, Jr., son of the publisher; Carmine C. DeSapio, a Tammany leader and a Commissioner of elections; Rep. Arthur G. Klein; Judge Louis J. Capozzoli of the City Court and Francis X. Mancuso, another Tammany stalwart.

SAYS HE DIDN'T KNOW

Frank Kramer publicity representatives for the Salvation Army, said that if the organization had known of Costello's reputation, which certainly isn't a secret, he would not have been invited to serve as one of the more than 100 vice-chairmen of the men's division.

He said that the matter would be taken with Ray Virpen, general chairman of the campaign.

Costello's ties to Tammany Hall are well known, and the gambler himself has testified to his important role in judicial nominations by Tammany. Tammany head Rogers, who has repeatedly denied any connection with the underworld financier, said yesterday in answer to queries on his appearance at a dinner with Costello:

"During two world wars and as a public official I have had the opportunity to know at first hand the very fine work accomplished by the Salvation Army. I attended this fund-raising dinner and am glad to help further the success of the Salvation Army at all times. I am not interested or have any comment to make on the personalities involved."

Attached to an elaborate menu at the dinner was the following statement from Costello:

"I deem it a great honor and privilege to take part in the 1949 Salvation Army campaign and to sponsor this dinner and entertainment on its behalf. For the generous contributions of my many dear friends to this great cause, and for this assistanec in making this affair possible, thanks from the bottom of my heart."

Most of the public officials present at the Monday night shindig were curiously absent from their desks yesterday when reporters called.

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83 MAR 16 1949

This is a clipping from
Page 7 of the
Daily Worker

Date 1-26-49
Clipped at the Seat of
Government.

Costello Facing 2d Charity Ban

Sanatorium Disavows Any Official Link

By HOLLY KNICKERBOCKER

Registered U. S. Patent Office

The head of one of the city's leading charities today took steps to disavow the official aid of Frank Costello, gambling czar, whose attempt to ingratiate himself with a Salvation Army benefit party at the Copacabana, backfired in his face.

Mrs. Edwin H. Koehler, president of Irvington House, sanatorium for children with rheumatic heart disease at Irvington, N. Y., hastened to announce that "Mr. Costello has no official connection with our fund raising campaign, nor has he had any official connection."

Mrs. Koehler, whose husband is a Wall st. investment banker, admitted, however, that Costello "has been a generous friend of our institution" and had helped to raise money for Irvington House through his acquaintances.

SERVED SINCE 1947.

An officer of the Legal Aid Society admitted Costello was on the organization's fund raising committee.

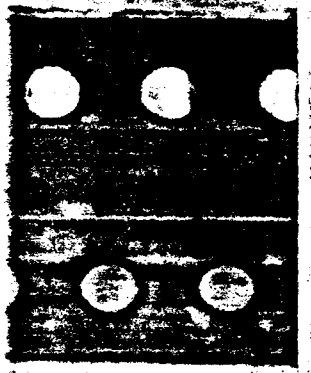
"He has served on the men's general committee to raise funds since 1947," the official said. "He has been a contributor himself and is serving on the present fund-raising committee."

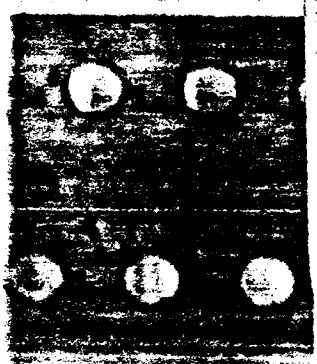
The slot machine king, whose real name is Castiglia and who was described by the late Mayor LaGuardia as "the worst gambler in the world", also was named by his attorney, George Wolf, as a

Continued on Page 6, Column 1.

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Charity Disavows Costello Fund Aid

Continued from First Page

campaign committeeman for the Catholic Boys Brigade.

Costello, whose police record includes the aliases of Severio and Howard, crashed blue-blooded company in his activities on behalf of Irvington House. Sponsors of the institution have included former Gov. Lehman, the late Cardinal Hayes, Grover Whalen and Col. Theodore Roosevelt.

Costello's latest attempt to ingratiate himself with society and charity by hosting a $100-a-plate dinner at the Copacabana night club, 10 E. 60th st., backfired when it was revealed the guests included eight judges and other prominent politicians.

The dinner, attended by 110 persons, was to raise funds for the Salvation Army's 1948 fund appeal.

Representatives were so swift that Costello, who is an ex-convict, immediately renounced his membership in the Salvation Army's fund-raising committee.

He was one of 123 vice chairmen of the campaign.

WILL ASK PROBE.

The party had repercussions in both the City Council and the State Legislature.

City Councilman Rager (R.-Man.) announced he would ask the Council's Committee on State Legislation to launch an "investigation of the office of the Borough President of Manhattan and the aforesaid Costello dinner."

Rager's step was a move to broaden a previous request for an inquiry into the present city administration.

The Councilman's resolution said in part:

"Whereas, on last Monday night a dinner was arranged by Frank Costello, ostensibly for a charitable purpose . . . and,

"Whereas, the dinner was attended by Boro President Hugo Rogers, five Justices of the Supreme Court, other Justices and public officials, and,

"Whereas, resolutions are now before the City Council seeking an investigation of New York City administration and its various departments including the Fire Department, now be it hereby,

"Resolved, that the Committee on State Legislature include in its consideration of Resolution No. 844, the investigation of the Office of the Borough President of the Borough of Manhattan, the aforementioned dinner and all other conditions herein described."

WOULD REFUSE FUNDS.

In Albany, Sen. Feinberg, the Republican majority leader, suggested the Salvation Army refuse the money raised at the Costello dinner.

Feinberg's comment came during a reply to Democratic charges that the administration of the State Liquor Authority is a "disgrace."

Senate Minority Leader Quinn remarked that Democrats do not do business with racketeers.

"Then what about the Costello dinner?" Feinberg asked.

"It was for the benefit of the Salvation Army," interjected Sen. Mahoney (D.-Man.)

"If I were the Salvation Army I would refuse the money," said Feinberg.

Costello's personal psychiatrist, Dr. Richard Horace Hoffman, of 870 Park ave., who was one of the guests, disclosed that he had advised his wealthy client to "get out and meet nice people."

Announcement of Costello's resignation from the campaign committee came from Roy Vir Den, general chairman of the appeal, after the gambler's guest list of politicians was disclosed by the N. Y. Journal-American yesterday.

"I don't know anything about this dinner," Vir Den said. "I didn't know Costello was connected with this campaign. I'm going to look into this and then I'm going to ask for Costello's resignation."

Soon afterward, Salvation Army officials announced Costello had resigned to save the campaign from embarrassment.

"The Salvation Army had nothing to do with this dinner," said Frank Kramer, the campaign director. "Costello did it all on his own."

Officials said, however, that the campaign committee had no intention of returning the $10,000 proceeds from the party.

"No Salvation Army official was present at the dinner and the Army did not know the invitations had been sent out," Kramer said.

Vir Den explained Costello resigned because he was "fearful that any further publicity in connection with his participation in this campaign may adversely affect it."

The guests who were willing to admit they were present at the affair were almost unanimous in declaring they were unaware Costello was the sponsor.

Supreme Court Justice Morris Eder said he received the invitation from "a Wall st. firm." Justice Eder said he disregarded the invitation until he was urged to attend by Congressman Arthur Klein.

Supreme Court Justice Thomas A. Aurelio would say only:

"I had dinner at the Copacabana with, Mrs. Aurelio."

Asked if he paid $100 for his ticket or knew Costello was the sponsor, Justice Aurelio replied:

"That's all I care to say."

Costello was once arrested for entertaining Aurelio's predecessor on the bench.

"I don't want to talk about it," was the comment of Special Sessions Judge Joseph Loscalzo, also listed as a guest.

Manhattan Borough President Rogers was one of the few politicians who admitted being present.

"I attended this fund-raising dinner and am glad to help the Salvation Army at all times," he said.

"I am not interested in and have no comment on the personalities involved."

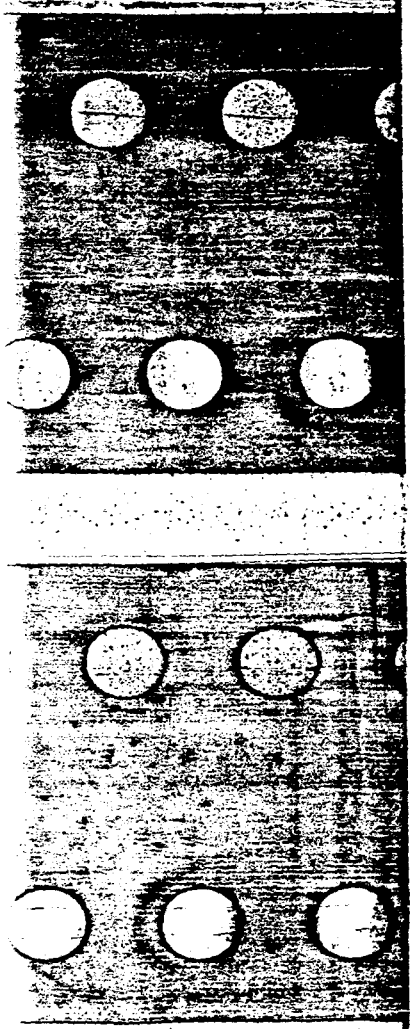
When Judge Loscalzo was

former Judge Francis X. Morrissey, Tammany leader, ... Supreme Court Justices ... Samuel DiPalco, Anthony J. Di-Giovanna, ... Aldermen ... Queens County Court Judge Thomas Downs and former Tammany leader Clarence Neal.

"It was a lovely affair and I never saw so many judges in my life," was the comment of Mrs. Howard Chandler Christy, who attended the party with her husband, the noted artist.

Explaining the Salvation Army's refusal to return funds raised through the party, Commissioner Donald McMillan, territorial commander, said:

"Certainly the Salvation Army does not intend to return funds which have been donated as a trust to be administered in the public interest and for the benefit of the thousands of women and children who ... most of the humanitarian ...



Mr. Tolson	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Candy	

Frank Costello Repudiated by Second Charity

By CHOLLY KNICKERBOCKER
Registered U. S. Patent Office

The social ladder which Frank Costello, the slot machine king and ex-convict, was climbing with a rare agility splintered again today under the weight of his burning desire "to be accepted."

And all that bread—no one knows how many thousands of dollars worth—that he cast on the waters of sweet charity came floating back today in a slightly rancid condition.

Some of the city's most important charities took steps to disavow the official aid of the gambling czar whose Salvation Army benefit dinner at the club Copacabana provided that organization with one of the most bizarre episodes in its history.

However, it would take more than his resignation to disillusion him, Costello said today, establishing his purity of heart in the matter.

ASKS NO FAVORS.

"Anything I do," the gambler said, "comes from the heart, not the head.

"I still say the Salvation Army is a good cause. I'm sorry I resigned, which I did to forestall any embarrassment on anybody's part.

"I don't ask any favors from anybody."

With his resignation as a

Continued on Page 12, Column 3

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83 MAR 16 1949

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N. Y. Journal American
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56 MAR 24 1949

Charity-Nixes Costello Link

Continued from First Page

vice-chairman of the Men's Division of the Salvation Army drive safely in the hands of its officers, Costello's self-appointed role as a perennial Santa Claus brought swift reaction from a second charity.

Mrs. Edwin H. Koehler, president of Irvington House, sanitarium for children with rheumatic heart disease at Irvington, N. Y., said:

"Mr. Costello has no official connection with our fund-raising campaign, nor has he had any official connection."

Mrs. Koehler, whose husband is a Wall st. investment banker, admitted, however, that the ex-convict "has been a generous friend of our institution" and had helped to raise money for Irvington House through "*his acquaintances.*"

HELPED LEGAL AID SOCIETY.

An officer of the Legal Aid Society admitted that Costello, often described by the late Mayor LaGuardia as "a tinhorn gambler and a bum," was on that organization's fund-raising committee.

"He has served on the men's general committee to raise funds since 1947," the official said. "He has been a contributor himself and is serving on the present fund-raising campaign."

The slot machine king, whose Copa party backfired like a pair of lemons on one of his so-called "one-armed bandits," also was named by his attorney, George Wolf, as a campaign committeeman for the Catholic Boys Brigade.

STATE PROBE ASKED.

City Councilman Rager (R-Man.), announced he would ask the State Legislature to launch an "investigation of the Borough President of Manhattan and the aforesaid Costello dinner.

Rager's resolution paid particular attention to the fact Costello's guest-list at the dinner included "five justices of the Supreme Court, other justices and public officials" as well as Borough President Hugo Rogers.

The Salvation Army announced it would keep the $10,000 on the grounds that money is money, a philosophy not new to Costello himself.

Officials Attend Frank Costello Charity Dinner

Judges Among Those Paying $100 at Copacabana for Salvation Army Benefit

As vice-chairman of the men's division, Frank Costello sponsored a Salvation Army campaign dinner at the Copacabana last night, and among his guests were numerous officials.

Mr. Costello and his attorney, George Wolf, said that 150 persons each contributed $100 to attend the downstair's dinner, at 10 East Sixtieth Street, but they refused to allow reporters or photographers to go down and see who was breaking bread with Mr. Costello.

Mr. Wolf, however, gave a partial list of distinguished guests, which included these names: Borough President Hugo E. Rogers, of Manhattan, leader of Tammany Hall; Supreme Court Justices S. Samuel DiFalco, Thomas A. Aurelio, Anthony J. DeGiovanna, Morris Eder and Aleander I. Nova; Judge Thomas Downs, of Queens County Court; Clarence Neal, a former Tammany leader; Generoso Pope jr., son of the publisher; Antonio G. De Sapio, a Tammany leader and a Commissioner of Elections; Representative Arthur G. Klein, of the 19th Congress District; Judge Louis J. Capozzoli, of City Court, and Francis X. Mancuso, one of the key figures in Tammany.

The $100 menu follows:

Fresh Fruit Cocktail
Hearts of Celery
Ripe and Green Olives
Salted Almonds and Nuts
Chicken Ochre
Biftek Sirloin
New String Bean Saute
Pommes de Terre Frites
Mixed Green Salad
Creme Glace
Petits Fours
Demi-Tasse

Attached to the menu was the following statement from Mr. Costello, who, like his other guests, was dressed informally:

"I deem it a great honor and privilege to take part in the 1949 Salvation Army Campaign and to sponsor this dinner and entertainment on its behalf.

"For the generous contributions of my many dear friends to this great cause and for their assistance in making this affair possible, thanks from the bottom of my heart.

"FRANK COSTELLO,
Vice-chairman, Men's Division."

A gambler and ex-convict, Mr. Costello has testified to his influence in judicial nominations by Tammany.

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

67C

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98 MAR 17 1949

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N. Y. Herald Tr
DATED JAN 25 194
FORWARDED BY N. Y. DIV

98
53 MAR 25 1949

Judges Attend Frank Costello Charity Party



press in and having his $100 a plate dinner p[arty] photographed.

He dropped an iron curtain around [it]. It was [appar]ently impenetratable.

Yet Costello [was] rather proud of [the] only was he rais[ing] the Salvat[ion] [Army] ... [been] ... [Not] ... [for] ... [chuck] ... [chair]-

man of the men's division had [sent] that a list of guests that read like the who's who of the N. Y. political world.

The dog meeh[an] was labelled by LaGuardia[ns]

Continued

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
[redacted]

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62 EX-3 [illegible]

NOT RECORDED
MAR 16 1949

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N. Y. Journal Am
DATED JAN 25 19[illegible]
FORWARDED BY N. Y. DIVIS

62 MAR 22 1949

Judges Attend Costello's Party

By CHOLLY KNICKERBOCKER

Registered U. S. Patent Office

Continued from First Page

ler in the world," had invited such distinguished guests as the Hon. and Mrs. Hugo L. Rogers, borough president of Manhattan and leader of Tammany Hall; Representative and Mrs. Arthur Klein of the 19th Congressional District, Francis X. Mancuso, a key figure in Tammany, and his wife, and Mr. and Mrs. Sidney Moses.

OTHER GUESTS.

Also Commissioner of Elections and Tammany Leader Carmine G. De Sapio with his wife; Supreme Court Justice and Mrs. Morris Eder, Supreme Court Justice and Mrs. S. Samuel DiFalco, Supreme Court Justice Anthony J. DiGiovanna and his pretty blonde wife; City Court Judge and Mrs. Louis J. Capozzoli.

Also among the chosen guests were former Tammany Leader Clarence Neal, Special Sessions Judge Joseph Loscalzo and his wife; Supreme Court Justice Algeron I. Nova; Queens County Court Judge and Mrs. Thomas Downs; Mr. and Mrs. O'Connell; Mr. and Mrs. Joseph L. Delaney, Supreme Court Justice and Mrs. Thomas A. Aurelio, Howard Chandler Christy, the famed artist, and the well known psychiatrist Dr. Richard Hoffmann.

I recognized a few of these celebrities as they were ushered in by a 200 pound bouncer. Most of them were identified as being present by George Wolf, Frank Costello's attorney.

ATTORNEY WAS NERVOUS.

Wolf was rather nervous about the presence of the press. He was adamant in his denial of letting me witness the party.

Wolf, wouldn't even think of letting the photographer go down to take pictures of the party.

"What do you want to do?" He snapped. "Make a Beautiful party?"

In vain I pleaded that since it was all for the sake of charity it would only be to Mr. Costello's advantage to have it publicized.

possible, thanks—from the bottom of my heart."

(signed)
Frank Costello
Vice Chairmen, Men's Division.

Here is the menu for the $100-a-plate charity affair:

Fresh Fruit Cocktail
Hearts of Celery
Ripe and Green Olives
Salted Almonds and Nuts
Chicken Cacciatore
Rice
Broccoli
New String Bean Sauté
Potatoes de Terre Frites
Mixed Green Salad
Cream Cheese
Petits Fours
Demi-Tasse

DONATED $10,000.

That Costello himself donated $10,000 in advance to the Salvation Army drive was revealed by Maj. Horace Weatherly, who said at his home in Kearny, N. J., that he was public relations officer for the charity.

Asked about the dinner, Weatherly said at first:

"Oh, I think that dinner was already held. It was some time ago."

After conferring with associates about the Costello affair, Weatherly returned to the phone and said:

"That dinner is tonight. Mr. Costello is announcing it . . . He owns the Copacabana."

Pressed as to how he knows the slot machine king owns the Copacabana, Weatherly answered:

"Well, that's what I thought."

8 Judges Dine with Costello at Part

By CHOLLY KNICKERBOCKER

Registered U. S. Patent Office

Continued from First Page

enough Tammany Hall brass to re-elect Harry Truman from now until 1999.

The names of less than 20 guests were announced by Costello's spokesmen, all solid citizens of official standing whom Costello summoned in the manner of some Roman Emperor beckoning a batch of petty officials to a feast.

There was no advance publicity on the party, held at 10 E. 60th st., the address of the Copacabana which the Salvation Army's publicity manager said he understood was owned by Costello, although it is widely publicized as the establishment of Monte Proser.

The original tip to the N. Y. Journal-American came from a man who said he knew Frankie way back in the underworld days and that a friend of his had a ticket to the affair.

"Did he buy it?" the tipster was asked.

The answer:

"You know Frankie. He might have twisted the guy's arm a little. And when Frankie twists an arm, it stays twisted."

Proser, denying that Costello had anything to do with the financial management of his [illegible] said the ex-convict picked up a $2,500 tab for the dinner with a nonchalance seldom seen in the night club belt. The regular floor show provided the entertainment.

JUDGES GO TO TABLES.

There was no speech-making, no brass brands (except the Copa's) as the justices and political leaders filed to their tables in the main room amid the din created by 400 other paying guests of the club who were unaware even that the party was being held.

Nevertheless, strong-arm bouncers, plying their profession under the eagle eye of Costello's lawyer, George Wolf, stood guard at the door to shield the party from my prying eyes.

Wolf, in the best manner of a 14th Century herald, proudly announced the names of distinguished guests.

Just who were the other 100-odd ticket-holders required no great amount of speculation. The most twistable arms in Costello's circles would be those of former affiliates whose acquaintances with judges are usually nodding ones from the other side of a court bench.

A special checkroom was established for the austere black evening coats of the high politic[illegible] figures but just what arrangements were made to check the hardware of Costello's lustier affiliates was not disclosed.

Wolf announced only the name[illegible] of the high political and judici[illegible] figures at the dinner, among them——

Supreme Court Justice Thomas A. Aurelio and Mrs. Aurello. Costello was once openly accused of obtaining Aurelio's Supreme Court nomi[illegible] when Sessions Judge [illegible] under fire in 1929. Two years ago, leftish Rep. Vito Marcantonio, on election night, said he "owned a great deal to Judge Mancuso who worked with me all election day." He was formerly Democratic leader of the 18th A. D. North, and for years was Tammany leader of the Italian-American contingent.

Sidney Moses, and his wife. [illegible]ent secretary of Tammany Hall, an ex-Alderman, and is known on the East Side as part owner of several night clubs.

Supreme Court Justice Morris Eder and his wife. He is a Tammany Hall stalwart.

Supreme Court Justice Samuel DeFalco and his wife. He is former secretary of Tammany Hall and a former City Councilman.

OTHER JUDGES NAMED.

Supreme Court Justice Anthony DiGiovanna and his wife, a former model. He is a former City Councilman, and two years ago was a Democratic candidate for attorney general.

City Court Judge Louis Capozzoli and his wife. He is a former Congressman from the lower East Side and a veteran Tammany Hall leader.

Clarence Neal, former Tammany Hall leader and one of the triumverate of Neal-Stand-Loughlin, forced out by Mayor O'Dwyer two and a half years ago when Frank Sa[illegible] backed by O'Dwyer [illegible] to replace [illegible] Tamm[illegible]

Sne[illegible]

ge[illegible]

invitation to serve. I [illegible] know he was THE Fran[illegible]tello who received so m[illegible] verse publicity in the [illegible]

(Said Judge Charle[illegible] in November, 1943, in [illegible] port on the disbarme[illegible]tion against Aurielio: [illegible] Costello (is) an ex-convic[illegible] person of bad reputation, as[illegible]sociate of malefactors and [illegible]sters...That Frank Cos[illegible] character was...altogether [illegible] I have no doubt.)

Asked if he knew whether



Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Salvationists May Refuse Costello Party's $15,000

By MALCOLM LOGAN

Directors of the Salvation Army's $1,100,000 campaign, obviously unhappy about the $100-a-plate party which Frank Costello gave for the fund at the Copacabana last night, met today to decide whether they would refuse the $15,000 he collected.

There was some embarrassment also among the 150 guests at Costello's party, among whom were judges, a Congressman and other political notables. Most of them refused to discuss the affair at which the slot machine racketeer and ex-convict was host.

Criticism of the party was voiced on the floor of the State Senate in Albany, where Majority Leader Feinberg (R-Platts-burgh) said, "If I were the Salvation Army, I would not accept a penny of the money supposedly raised in its name."

Say He Took the Check

Costello's guests occupied a special section of the palm-decorated night club, which holds 550 persons. A spokesman for the club said that Costello paid the $2,400 check for the 150 dinners out of his own pocket.

Presumably he intends to turn over all the money collected from the guests to the Salvation Army, but C. Frank Kramer, campaign chairman, said the money has not been offered the organization yet.

He called other campaign leaders to a meeting at th Army's headquarters at 120 W. 14th St. to decide what to do about the money and about Costello's position as a vice-chairman of the men's division of the campaign.

Kramer said Costello made his first contribution to the Salvation Army last year and he was named a vice-chairman, along with 123 other substantial contributors. No one connected with the campaign, he said, knew about Costello's background.

It was difficult to find any of Costello's guests who would talk, but one city official who was not present remarked, "The people wh oattended that party ought to have their heads examined."

Manhattan Borough President and Tammany Leader Hugo E. Rogers issued a brief statement and refused to say anything more.

"I attended this fund-raising campaign dinner and am glad to help further the success of the Salvation Army at all times," he said. "I am not interested in or have any comment to make on the personalities involved."



FRANK COSTELLO



JUSTICE DiGIOVANNA

Supreme Court Justice Anthony J. DiGiovanna said he went to the dinner with his fellow justice, S. Samuel Di Falco.

When he was asked if Costello was present, Justice DiGiovanna said, "Yes, he was pointed out to me."

He said, however that he did not see the following statement which was reportedly attached to the menu:

"I deem it a great honor and privilege to take part in the 1949 Salvation Army Campaign and to sponsor this dinner and entertainment on its behalf.

"For the generous contributions of my many dear friends to this great cause and for their assistance in making this affair possible, thanks from the bottom of my heart."

It was signed, "Frank Costello."

George [illegible], Costello's attorney, was quoted last night as saying that a [illegible] attended and the guest list included Justice Thomas [illegible], ris[illegible]ter and Algernon [illegible], Clarence Neal, former Ta[illegible] district leader and a Costel[illegible] Elections Commissioner Ca[illegible] G. DeSapio, also a Tammany le[illegible]er; Francis X. Mancuso, another power in Tammany, and Rep. Arthur G. Klein.

Justice [illegible]der said he understood the dinner was sponsored by the Salvation Army and that from where he was sitting he could not see whether Costello presided.

Wolf today refused to discuss the party at all.

In 1944 the LaGuardia administration brought action to put the Copacabana out of business on charges that Costello and other "disreputable characters" had a financial interest in it and that the night club owed $37,371 in [illegible]les and business taxes.

[illegible] hearings be-

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DIVISION

[redacted] gang commissioner in Detroit, who spends some time breeding race horses in Tucson. Every now and then hoods from a dozen cities meet at his spots there.

There's Harry Fleisher, another Detroit hoodlum, who rated a line in Mickey Cohen's private telephone directory. On the lam from a robbing charge for some time, he has been turned up by the FBI.

There are Frank ("Buster") Wortman and Tommy Whelan of St. Louis.

There's—well, you name the town and you'll find friends and contacts of Frank Costello of New York, of Paul Ricca of Chicago, of hoods here and racketeers there.

They like to go to Miami and Miami Beach in the winter. And they like to make an honest buck while sunning themselves, which has made life hard for the local boys in Miami. The home talent, despite the sun, seems due for a freeze-out.

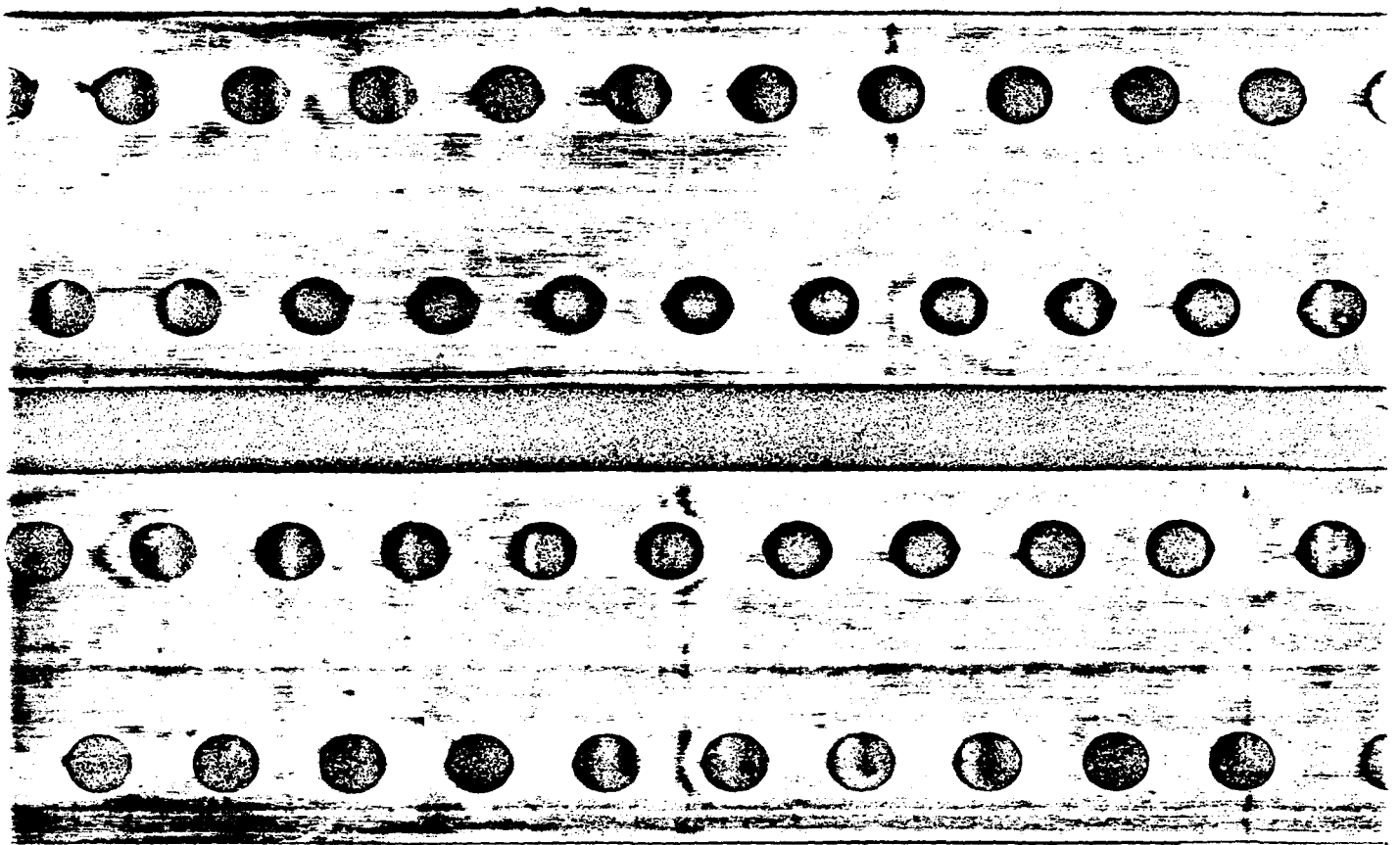
The visiting firemen are conscious of Florida hospitality and they have turned thumbs down on rough stuff. Very considerate fellows.

There's the case of John "Big Jack" Le Tendre of Woonsocket, R. I., one of the founders of the Narragansett race track and an old-timer of the Florida winter season. He operated the La Boheme Club in Broward County.

In 1946 the New York mob, meaning Costello's gang, invited Le Tendre to take them in as partners. They mentioned he owed them $30,000 for their end. Le Tendre, indignant, refused their company, closed his club and went home.

Gunmen caught up with him in Woonsocket and killed him. And

8 Judges at C



at Costello Dinner

Hush-Hush Charity Fete Backfires



FRANK COSTELLO—GIVES PARTY FOR CHARITY
His Guest List Reads Like a Political Who's Who

By CHOLLY KNICKERBOCKER

Frank Costello, the slot machine king and political fixer, made his greatest bid last night to ingratiate himself into society and charity, but the plan backfired today in the gambler's face.

The Salvation Army, in whose name Costello gave a $100-a-plate dinner at the night club Copacabana, disavowed the whole affair and an official said it would ask the [illegible] tion as a vice-chairman of the [illegible] ing campaign.

The Salvation Army, through Ray Vir-Den, general chairman of the campaign, said it didn't know anything about the dinner or its guest list that included Costello.

"I don't know anything about this dinner," he said. "I didn't know Costello was connected with this campaign. I'm going to look into this, see how the Salvation Army feels about it, and then I'm going to ask for Costello's resignation."

Horrified at the blast of publicity, Frank Kramer, campaign director for the Salvation Army, said emphatically:

"The Salvation Army had nothing to do with the dinner. The men's division had nothing to do with the dinner.

"He did it all on his own."

GAVE $10,000 TO FUND.

However, officials admitted that some time ago Costello, who was described by the late Mayor La Guardia as a "bum and tinhorn gambler," had donated a check for $10,000 to the fund.

Present at his dinner were "five justices of the State Supreme Court," said those present.

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2 5 1949

DIVISION

Franco Bids U. S.
Free Red Slaves

By ANTHONY B. AYAR

MADRID, Jan. 25.—Generalissimo Franco rallied on the United States today to proclaim the liberation of all Communist-dominated countries as a part of its

Chief Urges 'Big Pruning'

WASHINGTON, Jan. 25 (AP).—The man who has big job of lopping fat on Federal spending called today for "the greatest pruning job of all history," to trim the cost of the Government.

To help do the job, Controller-General Lindsay C. Warren urged

Ship Line Aide
Balks Exile Quiz

Gustave Cronkit, vice-president of the Gdynia American Line, today refused to say whether he was a member of the British Workers' Party, identified by the Government as part of the Communist Party.

Cronkit testified in connection

Hope Dines at Antoine's

By BOB HOPE

WAY down yonder in . . .

Yes, sir, today we're coming to you from the real Deep South—New Orleans. Or as they say here: "N'yuleus, Man."

This is one of the most picturesque cities in America and even before the plane landed we could tell they were giving us a true southern reception.

The control tower signaled us in with a mess pralines on the end of a flaming corn cone.

REMEMBER, THIS IS FOR YOUR RENT!

Hush-Hush Charity Fete Backfires



FRANK COSTELLO—GIVES PARTY FOR CHARITY
His Guest List Reads Like a Political Who's Who

By CHOLLY KNICKERBOCKER

Frank Costello, the slot machine king and political fixer, made his greatest bid last night to ingratiate himself into society and charity, but the plan backfired today in the gambler's face.

The Salvation Army, in whose name Costello gave a $160-a-plate dinner at the night club Copacabana, disowned the whole affair and an official said it would [illegible] of its [illegible] campaign.

The Salvation Army, through Ray Vir Den, general chairman [illegible]

[illegible] that he

"I don't know anything about this dinner," he said. "I didn't know Costello was connected with this enterprise. I'm going to look into this, and how the Salvation Army looks about it, and then I'm going to ask for Costello's resignation."

Horrified at the taint of publicity, Frank Kramer, campaign director for the Salvation Army, said emphatically:

"The Salvation Army had nothing to do with the dinner. The men's division had nothing to do with the dinner.

"We did it all on his own."

GAVE $60,000 TO FUND.

However, officials admitted that Costello, who was described by the late Johnny Lo Guardia as a "man and admitted gambler," had donated a check for $10,000 to the fund.

Present at the dinner were five justices of the State Supreme Court and three United

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3 MAR 16 1948

8 Judges at Costello Dinner

Hush-Hush Charity Fete Backfires



FRANK COSTELLO—GIVES PARTY FOR CHARITY
His Guest List Reads Like a Political Who's Who
Journal-American Photo

62MAR 2

Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Ms. Nease

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83 MAR 16 1949

THE
25 1949

Politicians Attend Costello Dinner

By MALCOLM LOGAN

A large number of politicians had nothing whatever to say today about a $100-a-plate dinner given at the Copacabana last night by Frank Costello for the benefit of the Salvation Army.

Attempts to reach judges and others prominent in Democratic politics who were reported to have attended the dinner were almost uniformly unsuccessful.

C. Frank Kramer, director of the Salvation Army campaign for $1,100,000, was asked how Costello, an ex-convict and slot machine racketeer, became a vice-chairman of the campaign.

"Mr. Costello," he said, "is one of about 123 vice-chairmen. For some time he has been a substantial contributor to the Salvation Army, and all the vice-chairmen were picked from among our substantial contributors."

Asked if the Salvation Army was aware of Costello's background, he replied, "No."

One of the few who admitted attending the affair was Supreme Court Justice Anthony A. DiGiovanna, who said he went with his fellow Justice, S. Samuel DiFalco.

When he was asked if Costello was present, Justice DiGiovanna said, "Yes, he was pointed out to me."

He said, however that he did not see the following statement which was reportedly attached to [illegible]

"I consider it a great honor and privilege to take part in the 1949 Salvation Army Campaign and to sponsor this dinner and entertainment on its behalf.

"For the generous contributions of my many dear friends to this great cause and for their assistance in making this affair posisble, thanks from the bottom of my heart."

It was signed, "Frank Costello, vice chairman, men's division."

George Wolf, Costello's attorney, was quoted last night as saying that about 150 persons attended and the guest list included: Borough President Tammany leader Hugo E. Rogers; Justices Thomas A. Aurelio, Morris Ed and Algernon L. Nova; Claren Neal, former Tammany distri leader and a Costello ally; El tions Commissioner Carmine De Sapio, also a Tammany le er; Francis X. Mancuso, anoth power in Tammany; and R Arthur G. Klein.

Today, however, Wolf refus to discuss the party.

There was dancing and ent tainment after the dinner and their $100 apiece the guests joyed the following menu:

Fresh fruit cocktail; hearts celery; ripe and green oliv salted almonds and nuts; chicl ochre; biftek sirloin; new str beans; pommes de terre fri mixed green salad; creme gla petits fours and demi-tasse.



FRANK COSTELLO



JUSTICE DiGIOVANNA

Mr. Tolson .....
Mr. Clegg .....
Mr. Glavin .....
Mr. Ladd .....
Mr. Nichols .....
Mr. Rosen .....
Mr. Tracy .....
Mr. Gurnea .....
Mr. Carter .....
Mr. Hendon .....
Mr. Harbo .....
Mr. Mohr .....
Tele. Room .....
Miss Holmes .....
Miss Gandy .....

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N. Y. Daily Mirror
DATED JAN 25 1949
FORWARDED BY N. Y. DIVISION

NEW YORK TIMES, S

COSTELLO ALLIANCE DENIED BY VALENTE

Justice Seeking the Surrogate Post Makes Rebuttal, Cites Past Support by Bar

Supreme Court Justice Louis A. Valente, a leading aspirant for the Tammany designation for the post of Surrogate, denied yesterday that he was a political associate of Frank Costello, ex-convict and recognized slot machine king.

The Manhattan jurist made public a four-and-one-half-page statement denying each of the charges made by Hiram C. Todd, who had written to Mayor O'Dwyer seeking support of the drive by the Association of the Bar of the City of New York to stop Justice Valente from succeeding Surrogate James A. Delehanty, who will retire at the end of the year.

"The attempt to link or connect me with Mr. Frank Costello, by saying that I had 'conferred with him, among others, in regard to judicial appointments and nominations,' is as false as it is vicious," Justice Valente said. "Any meetings with him were casual and at open public functions, including a luncheon of an Italian-American group at which prominent persons were present, and which was held for the purpose of discussing plans for raising money for the relief of the starving, sick and distressed people of war-torn Italy. Nothing of a political nature was discussed or referred to at any time."

Mr. Todd is a former chairman of the executive committee of the bar association and is well known for his activities as a special prosecutor at various times, including the famous Druckman murder scandal in Brooklyn in 1935. In a reply to the Todd letter, Mayor O'Dwyer said it was "meaningless." Before his departure on vacation, the Mayor declined comment last night on Justice Valente's letter.

Cites "Stuffed Shirt" Bloc

Justice Valente described Mr. Todd as "a representative of the stuffed shirt bloc of the legal profession." He said the former prosecutor had not always had an "altruistic interest" as a special prosecutor. He said Mr. Todd had sought on one assignment to collect $41,000 as his fee in a Kings County investigation, but that a jury had brought it down to $11,000.

The jurist said Mr. Todd's statement that his chambers had been "the scene of political activities of certain groups of Tammany politicians" was both untrue and malicious. As for his secretary not being a lawyer, Justice Valente said there was no existing requirement of the law obliging him to engage a lawyer.

"I have never been an adviser, principal or otherwise of the Neal-Stand group in Tammany Hall," the jurist said. "In fact, my present as well as my previous secretary, as district leaders, voted to oust this group from power in the councils of the county Democracy."

In conclusion, Justice Valente said:

"In the interests of fair play and a correct appraisal of the situation, I believe that the public should be informed that the Association of the Bar, as well as the New York County Lawyers' Association, on the occasion of my renomination as justice of the Supreme Court, endorsed and approved my nomination and election, and that my election in 1939 for a second full term as Justice was by unanimous designation of all political parties, Democratic, Republican and American Labor, and followed the principle that a judge who has served acceptably a full term should be endorsed for re-election."

The Tammany district leaders will meet at their county headquarters, 331 Madison Avenue, at 4:30 P. M. next Wednesday to make a designation to fill the Delehanty vacancy. In addition to Justice Valente, Supreme Court Justice James B. M. McNally and Vincent R. Impellitteri, president of the City Council, have been mentioned for the Surrogate's designation.

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Boardman
Mr. Tamm
Mr. Egan
Mr. Garnett
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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CLIPPING FROM THE
N. Y. Times
DATED JUN 18 1948
FORWARDED BY N.Y. DIVISION

55 JUL

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tam
Mr. Nease
Miss Gandy

Valente Denies Political Talks With Costello

Calls Todd's Charge His Office Was Rendezvous for Tammany Untrue

Supreme Court Justice Louis A. Valente injected himself personally yesterday into the controversy over his candidacy for Surrogate in New York County.

In a 1,200-word statement bristling with such adjectives as "untrue," "vicious" and "malicious," he denied charges that he had conferred on political matters with Frank Costello, ex-convict and slot-machine operator, and said that "any meetings with him were casual and at open public functions."

He also denied that he had used his official chambers as a rendezvous for politicians or that his employment of non-lawyer district

(Continued on page 9, column)

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JUL 21 1948

CLIPPING FROM THE

N. Y. Herald-Tribune

DATED JUN 19 1948

FORWARDED BY N. Y. DIVISION

Valente Denies

(Continued from page one)

leaders as his secretary was out of line.

Justice Valente's statement, which he handed to reporters in his chambers in the New York County Court House, was made "imperative," he said, by the "reckless, unfounded and untrue" accusations of Hiram C. Todd, a former chairman of the executive committee of the Association of the Bar of the City of New York. He refused to answer any questions or discuss his candidacy further with reporters.

Mr. Todd made his charges in a letter to Mayor William O'Dwyer Wednesday. The Mayor subsequently rebuffed his suggestion that City Hall oppose in advance the indicated designation of Justice Valente for the Surrogate's bench when the leaders of Tammany Hall convene next week.

Justice Valente said that as a matter of judicial ethics he had intended to leave unanswered published statements during the last month "concerning my qualifications as a candidate for Surrogate of this county," but Mr. Todd's statement made him change his mind.

Preliminary to his point-by-point reply he said that Mr. Todd was "generally considered by practicing lawyers as a representative of the stuffed shirt bloc of the legal profession." Mr. Todd's "predominant interest in the welfare of the public has been the collection of large fees from the taxpayers" as a special prosecutor, he declared. He recalled that Mr. Todd sued the city for $41,800 for his services as a special prosecutor in Kings County, but that a jury allowed a verdict of only $11,000.

Valente's Retort

In his direct answer to Mr. Todd, Justice Valente said:

"1. His statement that my official chambers 'have been for many years the scene of political activities of certain groups of Tammany politicians' is both untrue and malicious. My chambers have never been used as a meeting place or rendezvous for any politicians. The door . . . is always open to every citizen who has any legitimate business to transact in the courthouse. . . .

"2-3. It is true that my secretary, Harry Brickman, is not a lawyer and is a Democratic district leader. There is no existing requirement of the law obliging me to engage a lawyer as secretary, nor is there any provision of the law disqualifying a district leader of any party from acting as secretary to a judge. Republican and Democratic judges have had district leaders as their official secretaries. It is well known that many of our most highly-regarded judges, Democrats and Republicans alike, were district leaders immediately prior to the time they ascended the bench.

"4. I have never been an adviser, principal or otherwise of the Neal-Stand group in Tammany Hall. In fact, my present as well as my previous secretary, as district leaders, voted to oust this group from power in the councils of the county Democracy.

"5. The attempt to link or connect me with Frank Costello by saying that I had 'conferred with him, among others, in regard to judicial appointments and nominations' is as false as it is vicious."

"Any meetings with him were casual and at open public functions," and included an Italian-American luncheon meeting to raise funds for Italy's war victims, he said. "Nothing of a political nature was discussed or referred to at any time," he asserted.

Justice Valente said that as chairman of the Board of Justice of the Supreme Court for the counties of New York and Bronx "at no time have I ever used my influence to bring about the appointment for political purposes of any unnecessary help in the courthouses."

With reference to Mr. Todd's slap at the appointment of James N. Bruno, Republican district leader in Harlem, as confidential clerk to the justices, he said that Mr. Bruno was named in accord with a bi-partisan policy, that he succeeded another Republican district leader, Frank J. Ryan, of Yorkville, and that Mr. Bruno was recommended by Secretary of State Thomas J. Curran, Republican county leader.

Justice Valente recalled that in 1939, when he was a candidate for a second full term on the Supreme Court bench, the Bar Association of the City of New York and New York County Lawyers Association "indorsed and approved my nomination and election" and that he was elected "by unanimous designation of all political parties."

"In this connection," he said," I may add that only a few years ago at the instance of the Bar Association, and at its request, I served as its emissary to the Democratic County Committee the purpose of bringing about nomination of judicial candida who would be acceptable to association. It is rather inc gruous that the association wo entrust such a mission to me i had any doubts concerning qualifications and integrity."

Comment by Todd

Mr. Todd telephoned fr Copake Falls, N. Y., last night reply to Justice Valente in wh he said the jurist's "demonst tion of spleen" sounded "like plea of a criminal lawyer w when his client has no defe on the merits, attempts to vil the prosecuting attorney."

He said the justice admitt among other things charged Mr. Todd, that he had "frien social relations with the notoric criminal, Frank Costello. . . ."

With reference to the Itali American war-relief meeting, Todd said: "This part of Just Valente's statement raises t question as to whether the lunc eon to which he refers was t ons held in Room 106 of the B more Hotel from noon to 2: p. m. on June 10, 1946, wh Justice Valente, former Juc Francis X. Mancuso, who resign under fire several years ago fr the Court of General Sessior Clarence Neal and Carmine D Sapio, who now aspires to be t leader of Tammany Hall, w the guests of Frank Costello."

Mr. Todd said he regretted th the jurist "has seen fit to res to subterfuge instead of frank admitting his extra-judicial int ests in supporting the activit of the least desirable element Tammany Hall."

CLIPPED FROM THE
Herald-Tribune
JUN 30 1946

VALENTE DENIES TODD'S CHARGES

Justice, Called Unfit for Surrogate, Hits Back.

Supreme Court Justice Louis A. Valente issued a counter-blast today to charges contained in a letter to Mayor O'Dwyer in which Hiram C. Todd, a prominent member of the bar, called Valente unfit for the office of Surrogate of New York county.

Todd's letter, received at City Hall on Monday and answered two days later by the Mayor, made six points in Valente's disfavor. It said that his chambers were the scene of political activity, that his secretary, Harry Brickman, was not a lawyer and was a Tammany district leader; that Brickman's predecessors also had been Tammany men; that Valente was an adviser of the Neal-Stand Tammany group; that Valente "has conferred with Frank Costello (the gambler and underworld figure) among others, in regard to judicial appointments and nominations;" that as chairman of the Justices of the Supreme Court Valente had brought about unnecessary appointments of clerks and attendants for political purposes.

It also recalled that Valente had been questioned in 1930 concerning the sullied candidacy of Amadeo Bertini for the bench, and that Todd, special prosecutor in that matter, two years later had written a memorandum [illegible] Valente sought to become Surrogate, and that the Bar Association after receiving it had opposed Valente.

Todd told the Mayor that he considers Valente "so politically minded that if he should become Surrogate he would use the immense patronage of that office to further his personal ambition to the great detriment of the public."

Valente's reply said that lawyers generally consider Todd "a representative of the stuffed shirt bloc of the legal profession," and went into a general denial of the charges.

It said that political meetings had not been held in the Justice's chambers, although they were kept open for all with legitimate business in the courthouse; that there is no law requiring a judge's secretary to be a lawyer or forbidding a political leader to hold such office; that the Justice has never been an adviser of the Neal-Stand faction in Tammany Hall, and denied that unnecessary appointments had been.

Concerning Costello, the Justice wrote:

"The attempt to link or connect me with Frank Costello, by saying that I had 'conferred with him, among others, in regard to judicial appointments and nominations,' is as false as it is vicious. Any meetings with him were casual and at open public functions, including a luncheon of an Italian-American group at which prominent persons were present, and which was held for the purpose of discussing plans for raising money for the relief of the starving, sick and distressed people of war-torn Italy. Nothing of a political nature was discussed or referred to at any time."

7-1 JUL 28 1948

EX-27

CLIPPING FROM THE

JUN 18 1948

Valente Brands Charges False

Supreme Court Justice Louis A. Valente said today the only times he has ever seen Frank Costello, the gambler, were in "casual meetings at open, public functions."

Valente issued a blistering six-page statement, replying to charges made against him in his campaign to ... Democratic nominee for ...ate.

...TS BACK AT TODD.

As to Hiram C. Todd, former special prosecutor and a leading figure in the Bar Association, who alleged Valente and Costello were involved in political appointments, Valente said:

"He (Todd) is generally considered by practicing lawyers to be a representative of the stuffed-shirt bloc of the legal profession.

"The attempt to link or connect me with Frank Costello by saying that I had 'conferred with him, among others in regard to judicial appointments and nominations,' is as false as it is vicious."

The judge said that in his casual conversations with Costello "nothing of a political nature was discussed or referred to at any time."

DENIES ALL CHARGES.

Taking up Todd's points one by one, Valente categorically denied them and branded Todd's charges as "reckless, unfounded and untruthful."

Following are Valente's replies to Todd's other allegations:

"My chambers have never been used a ss meeting place or rendezvous for any politicians. This charge is both untrue and malicious."

"There is no existing requirement obliging me to engage a lawyer as a secretary, nor is there any provision of the law disqualifying a district leader of any party from acting as secretary to a judge."

Todd had said Valente's secretary, Harry Brickman, was a Democratic district leader and was not a lawyer.

"I have never been an adviser, principal, or otherwise of the Neal-Stand group in Tammany Hall."

Mayor O'Dwyer, to whom Todd had addressed his charges in a letter, has said he would have no part of the dispute.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

67C

G.I.R.-7

62 JUL 29 1948

RECORDED 98 162-7654-3 FBI 43 JUL 26 1948

CLIPPING FROM THE
N. Y. Journal American
DATED JUN 18 1948
FORWARDED BY N. Y. DIVISION

Valente Denies Meeting With Costello on Jobs

Supreme Court Justice Valente issued a vehement denial today that he ever consulted Frank Costello, the slot machine racketeer, about judicial nominations or appointments, although he said he had met Costello at various public functions.

This and other charges made by Samuel C. Todd, who is opposing Justice Valente's aspirations for the Democratic nomination for Surrogate, are "reckless, unfounded and untruthful," he asserted.

"The attempt to link or connect me with Mr. Frank Costello by saying that I had 'conferred with him among others in regard to judicial appointments and nominations' is as false as it is vicious," Valente said.

"Any meetings with him were casual and at open public functions, including a luncheon of an Italian-American group at which prominent persons were present, and which was held for the purpose of discussing plans for raising money for the relief of the starving, sick and distressed people of war-torn Italy. Nothing of a political nature was discussed or referred to at any time."

In an angry counter-attack upon his accuser, Valente said he found it hard to believe that Todd "would dare to represent himself as a spokesman for or leader of the bar" and said that his interest in the public "has consisted chiefly of acting as special prosecutor, by appointment, for large and lucrative fees, which the public treasury was inevitably called upon to pay."

He then referred to a suit brought by Todd in 1938 to collect a balance of $41,000 for his services as special prosecutor in the Drukman murder case, in which the jury "found that he has overestimated his claim by $30,000."

Then, item by item, he denied most of Todd's charges in a letter this week to Mayor O'Dwyer.

"My chambers have never been used as a meeting place or rendezvous for any politicians," he said.

"I have never been an adviser, principal or otherwise, of the Neal-Stand group in Tammany Hall. In fact, my present, as well as my previous secretary, as district leaders, voted to oust this group from power in the councils of the county Democracy.

"At no time have I ever used my influence to bring about the appointment for political purposes of unnecessary help [illegible] satisfactorily performed the duties of Justice of the Supreme Court, and endorsed my nomination and recommended my election."

As to his appointment of district leaders as secretaries, he said, "There is no provision disqualifying any leader of any party from acting as a secretary to a judge." Many highly respected judges of both major parties, he said, were district leaders themselves.

The designation for Surrogate Tammany Leader Sampson said "will be settled by Wednesday."

Peter W. Houget, chairman of the Citizens Committee to Defeat Marcantonio, announced today that his organization would not support the Democratic designee, Assemblyman John P. Morrissey, but would continue its fight to retire the ALP Representative from the 18th Cong. Dist.

Morrissey, who was supported by the ALP in 1942, broke with Marcantonio two years ago and was the only Democratic district leader in the 18th Cong. Dist. who refused to support him when ordered by Tammany Hall.

Mr. Tolson
Mr. E. A. Tam
Clegg
Clavin
Tracy
Carnes
Harbo
Quinn Tam
Nease

62c

EX-13

RECORDED - 82 62-76543

48 JUL 26 1948

CLIPPING FROM THE
Post & Home News
N. Y.
JUN 18 1948
DATED
FORWARDED BY DIVISION

50

Valente's Pressure on Tammany Told By Finn Affidavit

[illegible] Chief Office[illegible]

[illegible] Kennedy [illegible]

[illegible] Finn, [illegible] Democratic district leader, charged Mr. Valente [illegible] wrecked all the prospects he would have to [illegible] than Tammany [illegible] of Michael A. Kennedy—a course of [illegible] subsequent [illegible] the name in [illegible] of Frank Costello, gambling figure, [illegible] Chief Justice.

Mr. Finn stated at the time—July 27, 1943—that on several occasions Mr. Valente in his chambers urged him to support the Kennedy leadership and [illegible] the ordinary procedure [illegible] inquired Mr. Kennedy's [illegible].

The former Sheriff said the jurist told him it would be to his and my best interests" for the Kennedy leadership to continue.

Before that, Mr. Finn said he was visited by Mr. Valente's secretary, Arthur Lamanda, who urged that he stop opposing Mr. Kennedy for leader. Mr. Finn stated he believed the secretary's visit was made with Justice Valente's consent and approval.

In the course of events, the month following the Finn affidavit, on Aug. 28, District Attorney Frank S. Hogan exposed the part played by Costello in influencing Mr. Kennedy to give a Tammany Supreme Court designation to Thomas A. Aurelio. As a result of this the Kennedy regime was deposed months later.

In 1943 there were several primary contests for district leaderships in Tammany and Mr. Kennedy's own hold in the Third Assembly District on the West Side was managed by the candidacy of Eugene McManus.

The Finn affidavit was given in an effort by the McManus forces to have Justice Valente disqualified as prejudiced from sitting in the Kennedy-McManus case. Mr. Valente refused to disqualify himself, upheld the Board of Elections action in throwing out the McManus petitions and his decision in turn was sustained by the Appellate Division. Mr. McManus later got his name on the ballot and defeated Mr. Kennedy for the district leadership.

Todd Leads Fight.

The former Sheriff prefaced his charges of partisanship by stating he had known Mr. Valente for several years, having served as his secretary from 1927 to 1937 and that Mr. Valente was then a member of his Huron Democratic Club in the First A. D. North.

Mr. Finn was defeated for district leader by Carmine DeSapio, elections commissioner, who now holds the Tammany bloc supporting Mr. Valente for Surrogate.

Political circles are stirred, meanwhile, with the opposition to the Valente candidacy spearheaded by Hiram C. Todd, a leader of the Association of the Bar of the City of New York, who charged in a letter to Mayor William O'Dwyer that Mr. Valente had conferred with Costello, among others, on judicial appointments and nominations over the last two years.

The Mayor replied to Mr. Todd: "Your letter to me is meaningless. I am not an officer in the Democratic party of New York County. I reserve the right to support any candidate after the nomination is made in any borough in the city. Until that nomination is made, I shall not interfere directly or indirectly. My best wishes for your continued good health."

Frank J. Sampson, Tammany leader, who has blocked the Valente forces in the Wigwam on several occasions, announced the Surrogate designation probably would be taken up next week. The Valente backers maintain they have a majority of votes on the [illegible] committee.

CLIPPING FROM [illegible]
JUN 18 1948

Valente Took Advice Of Costello on Jobs, Bar Leader Charges

Choice for Surrogate Is Opposed

By RAY GHENT,
World-Telegram Staff Writer.

With a powerful Tammany bloc threatening to enter Supreme Court Justice Louis A. Valente in the Democratic primaries for New York County Surrogate if he is turned down by the Wigwam leadership, the name of Frank Costello, gambling figure, today had entered the controversy.

Hiram C. Todd, former special prosecutor in many famous cases and a leader of the Assn. of the Bar of the City of New York, in a letter to Mayor William O'Dwyer charged that during the last two years "Justice Valente has conferred with Frank Costello, among others, in regard to judicial appointments and nominations."

1943 Boast Recalled.

In the 1943 Thomas A. Aurelio judgeship affair, Costello, an ex-convict, boasted of his influence in high Tammany circles and of how he had helped gain a Supreme Court nomination for Mr. Aurelio.

Mr. Todd said that Mr. Valente is "one of the principal advisers of the Neal-Stand group in Tammany Hall."

This group was headed by Clarence H. Neal Jr. and Bert Stand who were forced by Mayor O'Dwyer out of positions of power in the Wigwam last year in a cleanup campaign.

Mr. Todd told the Mayor he was writing him as the recognized city leader of the Democratic party.

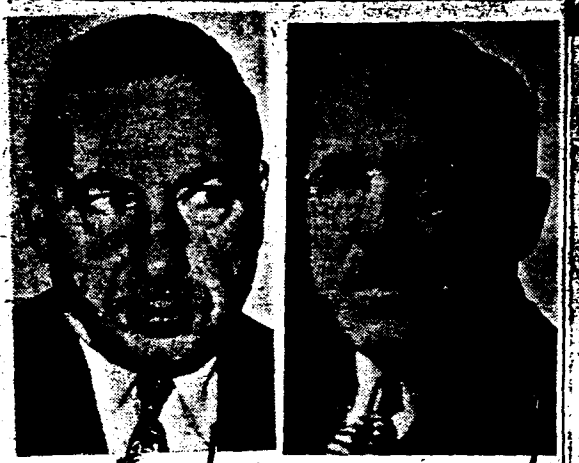
Cites Patronage Peril.

He said it is the consensus opinion of members of the bar that Mr. Valente "is so politically minded that if he should become Surrogate he would use the immense patronage of that office to further his personal ambitions to the great detriment of the public."

It has been estimated that patronage from this office, through appointments, ranges from $400,000 to $500,000 a year.

To support his charges the jurist is politically minded, Mr. Todd said that Justice Valente's chambers are the scene of political activities of some Tammany groups; that Mr. Valente's secretary, Harry Brickman, a non-lawyer, is a Tammany

(Continued on Page Two.)



Frank Costello. Justice Louis A. Valente.

RECORDED - 82

162-7548-A

EX-14

CLIPPING FROM THE
World-Telegram
DATED JUN 17 1948
NEW YORK DAILY NEWS DIVISION

Says Valente Listened to Costello

(Continued from Page One)

district leader as have been many of his secretaries in the past and that as chairman of the board of justices of the Supreme Court, First District, Mr. Valente "has used his influence to bring about the appointment for political purposes of numerous unnecessary clerks and attendants."

Names Typical Case.

He said the appointment of James Bruno, a Republican district leader in the East Harlem section of Rep. Vito Marcantonio's 18th Congressional District, as confidential clerk to the board of justices was typical.

Mr. Todd also wrote that, in 1930, while he was special assistant to the State Attorney General, investigating violations of the Elective Franchise Act, he examined Justice Valente "in regard to his activities in support of the appointment and nomination of the late Amadeo A. Bertini as Judge of the Court of General Sessions."

Two years later, he said, when Mr. Valente was a candidate for Surrogate, Mr. Todd prepared a memorandum for the Bar Assn.'s judiciary committee. The bar group opposed Mr. Valente and Gov. Herbert H. Lehman appointed James A. Delehanty, whose retirement this year creates the vacancy.

Meanwhile, Tammany leader Frank J. Sampson, who has succeeded in blocking the pro-Valente bloc up to now, has set no date for an executive meeting to make a choice for Surrogate. The Valente group is led by Elections Commissioner Carmine G. de Sapio, a former secretary to the Justice, who is Tammany leader of the Greenwich Village section of the 1st Assembly District.

Gave In to Book

Todd Says Valente Dealt With Costello

By MALCOLM LOGAN

Mayor O'Dwyer was on the spot today as the result of a letter in which Hiram C. Todd charged that Supreme Court Justice Valente, a leading aspirant for the nomination for Surrogate, has conferred with Frank Costello, slot machine operator, "in regard to judicial appointments and nominations."

The Mayor has taken no public position in the fight over the nomination in which a large number of Tammany district leaders were supporting Valente, and he recently told a Bar Assn. committee that it was not his function to choose candidates.

Todd, however, said in his letter that he was writing to the Mayor as "the recognized leader of the Democratic Party in New York City."

Adviser, Letter Says

Todd, a former chairman of the City Bar Assn., executive committee, and a special prosecutor in many investigations, charged that Valente is one of the principal advisers of the Tammany faction headed by Clarence H. Neal and Bert Stand, both of whom have been associated with Costello.

It was the consensus of members of the bar, Todd wrote, that Valente "is so politically minded that if he should become Surrogate he would use the immense patronage of that office to further his personal political ambitions to the great detriment of the public."

Itemizing this charge, Todd asserted, "His official chambers in the Supreme Court House are now and have been for many years the scene of political activities of certain groups of Tammany politicians."

Political Secretaries

All of Valente's secretaries, Todd said, have been Tammany district leaders, and only one of four has been a lawyer. Valente, he continued, has used his position as chairman of the Supreme Court Justices in New York County to bring about the appointment, for political purposes, of numerous unnecessary clerks and attendants."

The latest such appointment, he said, was that of James Bruno, a Republican leader in Rep. Marcantonio's district, as confidential clerk to the justices.

Valente was believed to have a majority of the Tammany executive committee behind him, and Tammany Leader Sampson who is opposing him, may have to enter his candidate in the primaries.

Row on ALP Support

Sampson yesterday was importuned by half a dozen leaders to give Democratic candidates the right to accept American Labor Party support, and after two hours of heated argument he announced that Tammany would try to adopt a county-wide policy on the subject.

The possibility of a Democratic-Republican-Liberal coalition against Marcantonio in the 18th Cong. Dist. appeared to have been destroyed by the announcement of Assemblyman John P. Morrissey that the nine Democratic leaders in the district would support him.

County G.O.P. leader Curran has announced that the coalition candidate would have to be a Republican to win his support, and Liberals were unlikely to endorse Morrissey. If he is nominated, it was expected Marcantonio will be re-elected.

Mr. Nease
Miss Gandy

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RECORDED - 35

48 JUL 26

EX-20 CLIPPING FROM THE Post Home News

N.Y. JUN 17 1948

DATED

FORWARDED BY N.Y. DIVISION

71 JUL 28 1948

Charges Valente Link to Costello

Hiram C. Todd, former chairman of the city's Bar Association executive committee, today opposed the candidacy of Supreme Court Justice Louis A. Valente for Surrogate, charging he had sought advice on judicial matters from Frank Costello, big-time gambler.

Todd wrote Mayor O'Dwyer, as the city's Democratic leader:

"During the last two years, Justice Valente has conferred with Frank Costello, among others, in regard to judicial appointments and nominations.

"Justice Valente is one of the principal advisers of the Neal-Stand group in Tammany Hall."

This group is headed by Clarence H. Neal Jr. and Bert Stand, both of whom were forced out of high positions last year by O'Dwyer in a cleanup, Todd pointed out.

"For a number of years, Justice Valente has been acting as chairman of the Supreme Court Justices in New York County and has used his influence to bring about appointment, for political purposes," the letter added.

Todd recalled that he had examined Justice Valente in 1930, as to political activities, and opposed his candidacy in 1932 for Surrogate.

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RECORDED - 35

48 JUL 26 1948

X-20

CLIPPING FROM THE

N. Y. Journal & Amer

DATED JUN 17 1948

JUL 28 1948

Tells How Miami

How Police Wink At Lavish Bookie Layouts in Miami



FRANK COSTELLO
Has 'Connections' in Miami Beach

This is the third instalment of Lewis Burton's inside story of the fabulous, yet sordid, $8,000,000,000 bookmaking racket. Today Burton continues his expose of Miami Beach, Fla., as the bookmakers' "paradise."

Chapter III

By LEWIS BURTON

Undisguised syndicate control of bookmaking on a scale not tolerated anywhere else in the United States. That's the setup in Miami Beach, Fla., where the $8,000,000,000-plus bookie Racket is officially ignored.

A vacationer, walking down Collins ave., one block from the oceanfront of that sun-bathed refuge from heatless North-ern Winters, is approached by a hustler:

"Boom's open, one flight up. Latest results and scores!"

Or, snoozing in his hotel room at the same afternoon hour, he is roused by a phone call from an over-zealous barker:

"Ten minutes to the first post. Hurry up if you wanna make your bets!"

You have your choice. You may be burned by the sun or burned by the bookies. The municipal government offers equal parts of each, except on rainy days, when there is little alternative.

Extreme conservative estimates of horse-betting volume for a year in Miami Beach range from $35,000,000 to $50,000,

Continued on Page 4, Column 3

G L R
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F B I
48 JUL 26 1948
CLIPPING FROM THE
Journal Amer
JUN 8 1948
N. Y. DIVISIO

$3,000,000,000 Bookie Racket:

How Miami Gave In to Syndicate

By LEWIS BURTON

(Continued From First Page)

ed. But Big Money operations there had a well-entrenched industry grossing $200,000,000 in the mark.

Only the syndicate knows.

It's all done in a few months and done according to a formula which the City Council gives winking approval. By doing practice, the council has been "liberal."

A history of procedure the last 10 months shows this process perfectly.

On June 6, 1947, when P. R. Short was appointed Chief of Police, he closed down bookmaking temporarily, awaiting a directive. He voiced the department's attitude in statements that there would be no gambling, as far as he was concerned, unless the city fathers agreed on such a policy.

About a month later came the intimation that the policy had been set. Chief Short announced his approval of bookie operations. The 10-man syndicate which was combined under the name of S. and G. Investment Co., sprang into action with obvious protection from the powers that be. S. and G. was registered with the State.

Phone calls tipped off bookies in New York, Philadelphia, Chicago, Cleveland, Pittsburgh and elsewhere that the heat was off. Come one, come all! Bookmakers with an eye to the Southern trade picked their hotels and negotiated for concessions.

You can't make a legal contract to engage in illegal operations, so the dickering invariably centered around rights to the cigar stand. The fortunate concessionaire had to maintain that stand whether he liked it or not, and generally did so at a loss.

$50,000 for One 'Good Spot'

In the recent lush years, the price leveled off at $10,000 or $12,000 for a good spot, but the better hotels commanded much higher sums. The $50,000 reportedly paid by Frank Erickson for the Roney Plaza rights was understood to be the peak figure.

The actual scene of most bookmaking operations was the hotel's cabanas—the out-sized bath-houses bordering the pool or facing the Atlantic Ocean. A "king cabana" equipped with telephone, bulletin boards, tables for scratch sheets and past performances charts, and comfortable chairs, housed the handbook.

With that end of the arrangements secure, the purchaser then went to S. and G. headquarters on Lincoln Road to come to an agreement for wire service and whatever else the monopolistic syndicate wanted to throw at him. It was plenty. The fact that the terms were always accepted, however, is indication enough of the profit in the handbook industry.

The syndicate generally allowed the tenant bookies a credit of half what it calculated the concession to be worth, regardless of the price paid. For guidance, there are past performance charts on king cabanas, too.

Syndicate Preys on Bookies

If a syndicate figured a concession to be worth $8,000, it allowed the operator a $4,000 credit, payable when the book has "won" that amount on the S. and G. ledgers.

In brief, the open-hearted syndicate people didn't hand over the $4,000 to the bookie until the bookie had first handed it over to them.

Such generosity can never be forgotten by a benefactor, and whatever tender affections the visiting bookies developed toward the syndicate were based largely on the memory of that phase of the transaction.

As a sideline to ease the burden of rental payments, the [illegible] card games [illegible] Always turned out to be [illegible]

The visiting operator also had to accept two [illegible] $100 a week for service, meaning Continental's racing [illegible] Bankers; and $50 a week for "tax," meaning protection. Both were payable in cash each Monday before the start of the week's action.

He also had to agree to shoot all comers bill of play the syndicate 50 per cent of his winnings. He agreed further to pay all court fines and costs, which averaged about $200 for each case last Winter, and pay 10 per cent bond fees of the syndicate's own bondsmen.

Arrests of bookies are a very interesting routine in Miami Beach. The Police Chief takes his orders and relays them to a plainclothesman who functions as a one-man bookie detail.

The power of this man is supreme in the field. He makes taken arrests which annually produce about $40,000 in municipal court fines as a sop to the electorate.

Bond is generally $500. The syndicate's bondsman promptly returns the arrested party to the scene of the bookmaking and he goes right back to work. It is often a great inconvenience for fully an hour.

Arrest charges are based 95 per cent of the time on possession of gambling equipment" instead of maintaining and operating a gambling establishment. Without fail, "gambling equipment" is a scratch sheet or two and several betting slips which may or may not be current.

In the rare cases where "maintaining" is charged, there are grounds for belief that the accusation was lodged because some bookie stepped out of line, washed on a bet, tried to do business with some other outfit, or was guilty of "bookie in the pocket"—that is, holding out bets from the syndicate's "combination," as it is known in the trade.

The concessionaire bookie is given two telephone numbers to call—one in case of emergency. This puts him in contact with one of the syndicate's eight offices located in strategic areas. There, in a boardroom, are clerks who work in teams servicing a certain number of accounts.

How Bets Are Tallied

Before a race, the cabana-installed bookie phones in and gives his bets, noted on a standard 20-line rundown bet sheet. The clerk at the other end has an identical sheet and when audited they must tally. The bookie may take all of a bet, subject to the terms of his 50 per cent deal, or he may lay off his part with the syndicate. In that case the syndicate takes a the profit or loss.

At the end of the day, all office records are sent to the main accounting department in the Mercantile Bank Building on Lincoln Road for checking and entering in the ledgers. All bookkeeping details are handled in this way and the [illegible] visiting bookies receive monthly checks in settlement.

Two syndicate members, Harold Salvey and Jules Levitt, were also associated in the operation of a fancy gambling de known as Sunny Isles Casino, located in the unincorporate area north of Miami Beach. Until last Winter, Sunny ran wide open [illegible] which [illegible] jack. After a few days' operations in February it closed [illegible]

The accepted explanation was that Jack Friedlander, known in Miami as a Dade County representative of the Mob, which links Frank Costello's outfit in New York and Greasy Thumb Guzik's gang in Chicago, tried to muscle in. He was said to have the blessings of one of Dade's highest law enforcement officials.

Muscler-In Muscled Out

This gentleman reportedly told Levitt, Salvey and their associate, Ike Miller, that Friedlander was "in" or they couldn't operate. Sunny Isles closed.

Vacationists had to content themselves with the milder forms of gambling, and there was very little of it that escaped the S. and G.

One syndicate of comparatively small dimensions, with not more than 30 books and operated by two local old-timers, Sammy Clark and Harris Levinson, was permitted to go unmolested for reasons politic. Independents, however, took a booting around.

The setup is the closest approach to legalized bookmaking anywhere in the land. Yet there is feeling in Miami Beach that Frank Erickson could displace the syndicate by pressure from the outside.

They know he is angry for the rough treatment he received last Winter and that his position is buttressed by his connection with the Capone Mob's Continental Press Service.

If the syndicate lost its wire service, its business would be curtailed to the point where its power would be broken. In their present mood, faced with the alternative of Erickson or nothing, the city fathers would probably clap down the lid. But they are evidently men whose moods might sway.

(New York City's Big Bookie—who they are and how they operate—will go on parade, along with some details of the police approach to the problem, in tomorrow's article on the Bookie Racket in the New York Journal-American.)

Judge Again Asks Facts on Costello

Questions 'Public Enemy' Charge in Liquor Case

The propriety of calling Frank Costello "public enemy No. 1" was questioned yesterday in Supreme Court by Justice Morris Eder for the second successive day.

The appellation appeared on Monday in State Liquor Authority papers regarding renewal of the wholesale liquor license of International Distributors, 5 East Fifty-second Street, and was repeated yesterday in court by the authority's lawyer, Alvin McKinley Sylvester. The justice said on both days that he kept reading about Costello in the newspapers, but never heard of his being indicted. Mr. Sylvester said Costello was a man of great influence.

"For good or for evil?" Justice Eder asked yesterday.

"Obviously, evil," Mr. Sylvester answered. "He is public enemy No. 1. He has a criminal record and served fifteen months for carrying a gun some years ago. But this man bears a charmed life. Some of the biggest criminals don't go to jail."

Justice Eder remarked that Costello should not be at large if he deserved the title, and Mr. Sylvester suggester that it is often difficult "to pin something on these men." He advised the justice to ask J. Edgar Hoover or Police Commissioner Wallander about Costello.

The S. L. A. opposed renewing the International Distributoris liquor license on the ground that it had reason to suspect Costello of being an owner. Justice Eder reserved decision.

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Dec 6-7 1944

62-76543-A
FBI
65 APR 12 1948

RECORDED 27

Frank Costello
Miscellaneous

62 APR 23 1948

CLIPPING FROM THE Herald Tribune
N. Y. MAR 10 1948
DATED
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EX-84

Costello Quiz Finds Nothing

Washington, D. C., May 1 (U.P.)—House investigators revealed today that they had questioned New York gambler Frank Costello secretly in the past few days in an unsuccessful search for evidence linking him with a government-contracting syndicate now under Congressional scrutiny.

Costello appeared voluntarily with his attorney to enter a personal denial with the House Merchant Marine Committee of reports that he was the undercover boss of the contracting group.

Encounter Blank Wall.

Chairman Fred Bradley (R-Mich.) and committee member Frank J. Maloney (R-Pa.) disclosed the secret meeting in a joint statement announcing that their "preliminary" investigation thus far had run into a blank wall so far as Costello and the syndicate were concerned.

But they said they intended to continue their inquiries and that a public committee meeting, scheduled for May 12, had been postponed indefinitely.

Denies Connections.

Costello denied any connection with the contracting group—Aerodynamics Research Corp. and its two operating subsidiaries, the Kensington Shipbuilding & Dry-dock Co., of Philadelphia, and Air-Track Manufacturing Co., of College Park, Md.

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Frank Costello
Miscellaneous

CLIPPING FROM
N. Y. News
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81 MAY 12 1947

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U. S. Officials Query Costello

Racketeer Frank Costello was secretly questioned for almost a full day this week by House investigators seeking to link him with a war-contracting firm now under Congressional investigation, it was disclosed yesterday.

Chairman Fred Bradley (R., Mich.) of the Merchant Marine Committee said the secret meeting failed to connect Costello with Aerodynamics Research Corp. and its two subsidiaries, who are charged with making millions in excess profits.

Bradley said Costello denied that he had any connection whatever with the corporation. As a result, a public hearing May 12, at which Costello was to be star performer, has been postponed indefinitely while the committee continues its search.

Costello also faces trouble from the Justice Dept., which is investigating a complaint that he was illegally naturalized in 1925.

Frank Costello
Miscellaneous

CLIPPING FROM
N. Y. PM
DATED MAY 2
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Through With Politics, Frank Costello Insists

By ROBERT G. SPIVACK

Frank Costello, once the reputed overlord of Tammany Hall, says he wants no more of politics.

The ex-slot machine czar, whom Treasury Dept. reports described as "prime minister of the underworld," told this reporter he was tired of the abuse, fed up with the intrigue and dirty dealing, that he never aspired to hold public office, make judges or influence city affairs.

"I have helped out my friends when they came to me," he said.

He admitted favoring one side or another in the various Tammany fights over the years. "I have the same right to root for anybody that you have to cheer for Franklin D. Roosevelt," he said defiantly.

'I'm Out of Politics'

Costello's abdication as behind-the-scenes rule of Manhattan's Democratic politics—he denied that he ever exercised all the power attributed to him by the press—took place in the cocktail room of a swank midtown hotel Tuesday. It was amplified by a close friend, who had been in touch with him, twice by telephone last night.

The discussion which started with small talk about golf quickly shifted to politics. "What made you go into politics?" he was asked.

"I'm not in it. I'm out of it. I have no political aspirations," he answered quickly. I expressed disagreement and mentioned the names of certain Tammany district leaders whom he had financed.

"I'm a gambling man," he said. "I'll lay a $1,000 at 7 to 5 that you don't believe a word I say." I told him that inquiries I had been making disclosed that he became politically inactive when Frank Sampson became Tammany leader.

Had he not told this to a certain well-known judge? "I forget if I told it to him," he answered. "But I have told it to everybody else who asked me."

We argued back and forth as to how much money he had put into politics. He was cagy.

"Did any of them tell you I had given them money?" he asked.

His Memory Fails Him . . .

Patrick H. Sullivan, formerly a West Side Democratic leader, I told him, had said that Costello offered to supply money and men if he went along with a oCstello-favored candidate for county leader. Costello hesitated for some time before he answered.

"Did he say that? I don't remember if I said that to him," he finally answered.

In two hours we covered the whole gamut of recent New York politics. He made few requests to keep his remarks off the record and admitted that possibly "nine or 10" leaders were his friends.

Of Clarence H. Neal, ex-Tammany power, "we grew up together."

Of Bert Stand, ex-Tammany secretary, "who doesn't know Bert?"

"What about Mayor O'Dwyer? Had they met recently? Costello shook his head.

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81 MAY 12 1947

Frank Costello

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N. Y. Post
DATED MAY 1 1947
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Probers Fail to Link Costello to War Firms

Washington, May 1 (U.P.)—Nearly a week of intensive investigation has failed to link Frank Costello, New York gambler, to a group of corporations which have made sizeable profits from Government contracts, Chairman Fred Bradley of the House Merchant Marine Committee said today.

"But we're not through yet," he said. "I don't know when something may break."

Representative Bradley and committee aides began an investigation last week after newspaper reports that Costello was behind Aerodynamics Research Corp., which was chartered as a non-profit organization but has two subsidiaries that have had profitable Government contracts.

Meanwhile, it was disclosed that the Justice Department also was investigating Costello on a complaint that he was illegally naturalized. A Justice Department official declined to identify the complainant. Costello was naturalized Sept. 10, 1925.

Bradley said he and Representative Franklin J. Maloney (R., Pa.), a member of his House committee, and Marvin Jones, committee counsel, have been working "morning, noon and night" on Costello's alleged association with Aerodynamics research.

"We have found nothing tangible yet that links Costello with either of the two operating subsidiaries—Kensington Shipbuilding & Drydock Co. of Philadelphia, or Air Track Manufacturing Co., College Park, Md. We haven't found anything to link him with Aerodynamics. Believe me, it isn't because we haven't been trying.

"We talked to all the officers, all the folks in these corporations and they all seem to have a clean story to tell."

The Internal Revenue Bureau has pending a $2,113,199 tax lien suit against Aerodynamics and a $2,615,927.82 suit against Air Track.

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Frank Costello

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N. Y. Brooklyn Eagle
DATED MAY 1 1947
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Probers of Aero Eye Costello's Naturalization

The Government's investigation into Aerodynamics Research Corp. and charges by high officials that Frank Costello, New York racketeer, is the firm's "secret boss" took a new turn last night when the Justice department revealed it is "studying" a complaint that Costello was illegally naturalized.

A department spokesman asserted the latest investigation is being made by the Immigration and Naturalization Service. The identity of the "complainant" was not revealed.

Senate Probes Under Way

Already conducting separate investigations into Aero and its satellite companies are the FBI, the Bureau of Internal Revenue and the Maritime Commission.

Two other probes were lauched last week by the House Merchant Marine committee and the powerful Senate War Investigating committtee, headed by Sen. Brewster (R) of Maine.

The Bureau of Internal Revenue has charged that Aerodynamics, a firm chartered here as a "non-profit research organization," actually served as a smoke-screen holding company which avoided payment of millions of dollars in excise and income taxes after obtaining huge war contracts.

Character Could Bar Him

Immigration officials said last night that a person would be naturalized illegally if he was not of good moral character, was not in the United States legally or made false statements at the time of naturalization.

According to the Justice department, Costello was naturalized Sept. 10, 1925.

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81 MAY 7 1947

WASHINGTON TIMES HERALD
DATE 5-1-47

60 MAY 8 1947



It Happened Last Night

Costello Has a New Life As a Country Gentleman

By Earl Wilson

Frank Costello, little for such a big man, told me across the table in a polite bar—where else?—that he's retired and trying to be a country gentleman among his flowers.

He puffed an English Oval and fingered his Charvet tie with the pretty Chinese girls' faces on it.

"I got no confidence in newspapers," he said—I stifled a desire to say "Me neither"— and then as we were being Scotched and watched by the walter, he said, "Why should I overtax my larynx talkin' to them?"

He went on quite readily, "I'm retired. I'm out of slot machines since a year ago.



COSTELLO

"Do I look like an imbecile?" he asked. (The answer was of course "No.")

"If I made the money they say I made, I should be in the can for evading taxes. I would need four, five psychiatrists.

"No," went on the fiftyish kingpin gambler, suddenly turning very sociable (probably afraid to have a big man like me mad at him), "I love to live too much. When we gonna get some warm weather?

"I'm dyin' for that sun to come out so I can prune my trees and see my strawberries grow at my place at Sands Point. I love flowers."

A gee who was with us spoke of a girl singer who makes $1,250 a week.

"I know one younger who makes more," said Costello.

"Who?" said our friend, all excited.

"Margaret O'Brien! Long as you're crackin' about high finances," said Costello.

Costello kept saying this was no interview. I kept going to the gents' room writing out my notes. I hope he doesn't belt me.

"How much of the ready you got on you today?" I asked him.

"Are you gonna District Attorney me?" he laughed.

He pulled a disappointing $450 out of his LEFT pocket—a point I must remember if I ever stick him up—and said, "I had a little more before I left home today. I got 3 or 4 pretty good bites."

Costello's sense of humor titillated me.

I mentioned that since he supposedly has bodyguards, I should have brought as my bodyguard Jockey Sammy Renick, who weighs 98 pounds stripped, which he often is. Costello denied having a bodyguard—said he's afraid of one person (his wife). He added, "I'm a murderer since I was born. Murderin' the English language."

"What the hell, nobody gives me a break!" he said.

"D'you know I own the Empire State Building? Sure, I had that airplane bump into it by remote control. And that Aerodynamics stuff in Washington! I can't even pronounce it.

"I'm livin' more'n 30 years in a radius of 2 miles. I can't be such a bad guy. They'd have run me out.

"I'm in this town before the Mayor—before Dewey—before you. Has that crackpot La Guardia been able to run me out?

"Walter! A Scotch for everybody. Shore, Costello said, I got friends. The District Attorney knows all kinds of people, too. He doesn't sleep with them. I don't have to sleep with all the guys I know."

Then he spoke a guy who'd joined us. "How's your girl, Francesca? Mine's loony."

"Golf's a gentleman's game and YOU'RE no gentleman," Costello laughed. "I am! I had a couple 73s already this year."

Religion came in. No churchgoer, Costello gives to churches, has figured out there's a Heaven right here and has numerous fairest charities.

"I know some guys in Wall Street that gladly ruin other people to clean up for themselves. Then on Sunday at church they write a check to cover that sin. Monday," he said, "they start out from scratch."

One fellow in our group said he thought it a good idea for all

Hennyisms

[illegible]

The Midnight Earl . . .

[illegible]

[illegible] at the Vanity Fair, w[illegible] critically ill at Polyclinic Hos[illegible]tal today after a heart atta[illegible] Bulletins on his condition we[illegible] flashed to a worried cast la[illegible] night. Rudy Vallee agreed [illegible] open at the club May 12. . .

TODAY'S BRAVO: John S[illegible]bastian's Wedgwood Room h[illegible] monics.

WISH I'D SAID THAT: Sa[illegible] Dowell: UN delegates sho[illegible] kindly remove their hates.

CHATTER: Eddie Cantor fl[illegible] from Hollywood here tomorr[illegible] night after his broadcast, appe[illegible] Friday with dtr. Marilyn . . . "Leave It to the Girls," and tal[illegible] over NBC's appeal for Texas v[illegible] tims . . . Tillie Losch, who did [illegible] "Duel in the Sun" dances, v[illegible] have an art show May 12 . . . Griff Williams' band opens [illegible] Waldorf Starlight Roof May [illegible] . . . Bernie Hart guesses that the atomic energy talk in So[illegible] America will lead to a Urani[illegible] Day in Rio . . . That's e[illegible] brother.

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81 MAY 7 1947

CLIPPING FROM THE
N. Y. Post
APR 30 1947
DATED
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Name Costello Boss of Vast War Tax Gyp

By James Walker

(Copyrighted 1947 by the Washington Times Herald)

Washington, D. C., April 24—A new war contract scandal destined to stagger official Washington with the enormity of its ramifications was revealed tonight when Frank Costello, powerful New York racket king and former Tammany power, was named as the secret boss of a fantastic wartime manufacturing network that dodged millions of dollars in taxes by operating as a "non-profit research organization."

Vice Admiral William W. Smith, USN (ret.), chairman of the Maritime Commission—one of the federal agencies milked by the network—told the Times Herald that Costello, whom he described as "the slot machine king," was the undercover head of the cartel's parent corporation, which is located in the District.

Admiral Smith identified Costello as the controlling power behind the Aerodynamics Research Corp., whose Washington offices are in the Tower Building. It was through this parent "non-profit research organization" that the manufacturing network operated, underbidding competitors on war contracts because of its "tax-free" nature.



Frank Costello
Uncle Sam on his trail.

Baffled Even U. S. Aids.

So carefully was the real nature of Costello's cartel obscured that government experts from several agencies were apparently baffled throughout the war years.

It is known, however, that subsidiary companies operating under Aerodynamics Research Corp. received at least 12 million dollars in U. S. Navy contracts. Contracts were also let through Aero to the Army, but the extent of these will not be known until records are more fully examined.

Information that Costello was the secret head of Aero and the tax-dodging manufacturing combine "has come to me from several sources," Admiral Smith told the Times Herald, "and I have turned the matter over to the Department of Justice."

Huge Tax Lien Filed.

However, virtually every federal law enforcement agency in Washington has been called into the investigation and at least two Congressional committees are delving into the case. Now trying to untangle the maze of intrigue behind Costello's cartel are the FBI, the Treasury Department, the Internal Revenue Bureau, the Navy Department and the Maritime Commission.

The first indication that the Government was preparing to unload a broadside at Costello, an elusive target for both the Justice and Treasury departments for almost 20 years, came when the Internal Revenue Bureau filed a tax lien against Aerodynamics Research Corp. for $2,113,199.86 early this month. The lien was for income and excess profits taxes due the Government as a result of war contracts granted subsidiary companies of Aero.

A spokesman for the Treasury's Bureau of Internal Revenue, described the sprawling empire erected by Aero as a "maze of in-

(Continued on page 64)

Fantastic, Says Costello

Frank Costello reached at his home, 115 Central Park West, at 1:55 A. M. today categorically denied any connection with the Aerodynamics Research Corp.

"This is a most fabulous and fantastic story," he said. "I never heard of the concern. This is the biggest fish and maritime story ever.

"In the past year I've been accused of every possible crime under the sun. First it was narcotics, then penicillin, and now this. What happened to those yarns? They got a few headlines, a few politicians got publicity and then it was forgotten."

Costello, awakened with the news of the investigation, was obviously shaken. He indicated there was nothing he could do but await further developments.

Frank Costello

The Aerodynamics

50 MAY 10 1947

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Police Hunting Frank Costello, Named by Lepke

NEW YORK, March 7 (N. Y. News).—The strange indifference manifested by police toward Gangster Frankie Costello vanished today. They went out to pick him up, it was learned. They wanted to charge him ostensibly with having no apparent occupation and no visible means of support.

But it was believed that at long last they wanted him for something else. That something else was the statement made last Thursday by the late Louis "Lepke" Buchalter who died Saturday night in the electric chair at Sing Sing prison, along with two of his underlings for the 1936 murder of Joseph Rosen.

Lepke, in addition to naming three men of national prominence as involved in plots to betray each other for political gain, put the finger on Costello as the individual who contributed $25,000 to the campaign fund of a widely-known politician, then seeking high office in New York city.

Costello was in town all the time, his attorney, George Wolf, said, but nobody ask him to talk.

Police Commissioner Valentine maintained strict silence on the police search for Costello, word of which was received from another source—a high police official.

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MAR 8 1944

WASHINGTON TIMES-HERALD
Page 5

60 MAR 16 1944 X35

Name Costello Boss Of Wartime Tax Gyp

(Continued from page 1)

that has astounded the oldest men on the force."

Aero was incorporated in the District of Columbia on Oct. 24, 1941, as a "nonprofit organization established for scientific research."

Probe Log in Work.

After the incorporation, the stock of three well-known manufacturing plants was purchased and, it is believed, a controlling interest in a fourth.

The Air-Track Manufacturing Co., the Kensington Shipyard & Dry Dock Co. and two other firms all share the same offices in the Tower Building.

The Maritime Commission began investigating operations of the Kensington Shipyard & Dry Dock Co., said to be controlled by Aero, several months ago, when the firm received a contract for conversion of the U. S. S. Todd and U. S. S. Woodford.

Work began lagging and commission investigators were sent to the yard. James L. Bates, managing director of the commission's technical department, reported:

"Joseph E. Sheedy, president of Kensington, has indicated that as a result of a jeopardy tax assessment in the amount of approximately $1,600,000 levied by the Commissioner of Internal Revenue against its parent company, Aerodynamics Research Corp., Kensington finds itself in a position whereby it is unable to obtain the necessary working capital for the completion of the conversion of the Todd and Woodford.

"These contracts are bonded by the Maryland Casualty Co. of Baltimore," he continued, "in the amount of 25% of the contract prices for performance and 50% of the contract prices for payment of labor and material."

Bates presented two possible courses of action:

(1) Taking steps to establish that Kensington was in default under its contracts and terminating them for such default and then readvertising for new bids; or (2) working out an arrangement whereby the yard would be permitted to complete the reconversion.

Taken In, Says Executive.

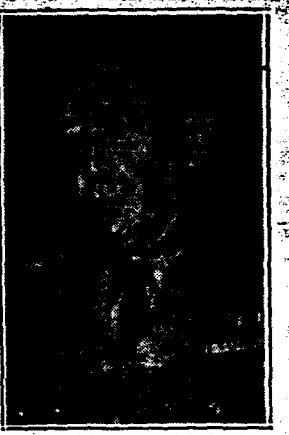
Asserting that the Maritime Commission would be subject to a smaller overall loss if it permitted the yard to go ahead with the project under the supervision of the surety company, he recommended the latter course of action and the commission accepted.

Kenneth Lloyd, vice president of Maryland Casualty, which bonded the contracts, told the Times Herald:

"We have been writing bonds for this old established (Kensington) company for a number of years, but now—this last deal—it looks like we were taken in.

"We feel we have no chance of getting our money back unless we locate the real owners of Aerodynamics. They have covered their tracks almost completely."

According to the Navy Department, Kensington received two contracts during the war. These were known as "open end" contracts for the repair and alteration of ships and no amount was set on either.



Vice Admiral W. W. Smith Puts finger on Costello.

The Air-Track Manufacturing plant at College Park, Md., received more than $12,000,000 in Navy contracts during the war for the manufacture of navigation and radio precision instruments and similar apparatus and won a Navy E award. Its personnel director and purchasing agent, J. C. Richardson, said yesterday that the firm is "totally owned" by Aero but that it has its own officers.

Forecasts Housecleaning.

Air-Track also had contracts from the War Department.

Rear Admiral M. L. Ring, of the Navy Department, disclosed that some 50 contracts were given to Air-Track and that eight were awarded under the name of the Aerodynamics Research Corp.

He said the firm's representatives have been coming to the Navy Department about "once a month" seeking business and that at present, the College Park plant is working on "one small contract."

A thorough housecleaning at the Maritime Commission was forecast by Admiral Smith as a result of the discovery of Costello's tentacles in the shipbuilding field.

"I have been informed that a former New York Congressman and reportedly a friend of Costello's, has several contacts in the commission," he said. "I would like to know who these people are. I want to weed them out."

House Group Starts Probe.

Admiral Smith said he had learned that the former Congressman is "very close" to a Bayonne, N. J., shipyard operator, and that the former Congressman "has an interest," in the shipyard.

Chairman Bradley (R-Mich.) of the House Merchant Marine and Fisheries Committee said last night that Admiral Smith gave him the "whole story of the Aerodynamics case" several days ago, and that committee investigators were assigned immediately.

Bradley declared that Admiral Smith told him, "We're in a helluva fix down there — Frank Costello, the 'slot machine man,' owns Aerodynamics Research Corp."

George Meader, counsel for the Senate War Investigating Committee, said his staff is "studying all of the information."

'Collier's' Says Costello Rules Gang

Magazine Reports Luciano's Freedom Linked to Costello's 'Political Power'

By Arnold Bloom

Frank Costello, slot - machine king, Tammany power, racketeer, gambler, ex-convict, and prohibition-era gang payoff man, is the "Prime Minister" and boss of American gangdom, *Collier's* magazine charges in its issue out today.

The article, first of two, is by Herbert Asbury, long - time New York City reporter, specialist on crime, and author of *The Gangs of New York* and half a dozen other books.

Costello rules his vast empire of gambling, bookmaking, racketeering, and other enterprises, says Asbury, through satraps scattered throughout the country, and he gives their names and their places of operation.

Night after night, says Asbury, "the high fliers and unfortunates of a score of states" pour money into this "multifarious enterprises." This occupation, says the writer, is only occasionally disturbed by "the ugly thud of the blackjack with which laws are enforced."

Asbury brings up the mysterious case of Charles (Lucky) Luciano, gangster whom Governor Dewey, then District Attorney, convicted a decade ago and mysteriously released last year for deportation to Italy. As PM pointed out in a recent series, Dewey has never explained his action in freeing Luciano 10 years before he was eligible for parole, Asbury says.

"Men who know some of the answers in politics and the underworld. . .say that the answer to Luciano's freedom is to be found in the political power of Costello."

Hagerty Denies Story for Dewey

The plain implication is that, by one road or another, Costello could exercise influence in Governor Dewey's office in behalf of the gangster. PM telephoned James C. Hagerty, Dewey's executive assistant, and relayed the quotation to him. Hagerty laughed and said he didn't know whether there would be any comment, but called back nearly three hours later to say:

"It's just ridiculous, that's all that I can say. You can quote me either as speaking for myself or for the Governor." Asked whether Dewey himself had any comment, Hagerty said he had not.

Asbury recalls the incident of Feb. 2, 1648, when Luciano was held on Ellis Island pending deportation. A New York *Daily News* reporter who wanted to see Luciano was denied entrance to the island and was thrown out of the ferry house by Coast Guard Shore Patrolmen while Costello was allowed to pass. Costello, says Asbury, not only talked to Luciano but was treated on the island with "every courtesy."

Who Signed Costello's Pass?

Lieut. Commander Joseph Mazzotta, who was commanding officer of the Coast Guard station on Ellis Island at the time, told PM that the Coast Guard was only an innocent bystander.

Passes to the island, he said, are issued only by the Immigration Bureau and that bureau had custody of Luciano. Costello had a pass and the reporter, Robert Dwyer, did not. As Mazotta explained it, the Immigration guard at the ferry house asked the Coast Guardsmen for help in ejecting Dwyer just as one policeman would ask another. Mazotta didn't know who signed Costello's pass.

Tracing Costello's rise, Asbury says the police think he got his start as a small-time hoodlum in Greenwich Village and Hell's Kitchen, graduating therefrom, to close association with Joe (Joe the Boss) Masseria, boss gangster of New York in the 1920's.

Luciano and Joe Adonis, the Brooklyn racketeer, were in with Costello. In 1931 Luciano took Masseria to a Coney Island restaurant for dinner, stepped into the washroom, and at that moment several men came in and murdered Masseria. Federal agents charged that Costello and Luciano took over Masseria's mob, but Costello denied it.

The Surrender Of Lepke

When, in 1939, Lepke Buchalter, head of Murder, Inc., who had long been hunted, surrendered. The *World Telegram* quoted him on the day he was executed in 1944 as saying that he gave up on Costello's orders. The *Telegram* also said that J. Edgar Hoover, head of the FBI, had notified Costello that the FBI would "make it very unpleasant for a lot of other people" unless Lepke was turned in.

Asbury says the underworld understood that Lepke had been assured that he'd be tried only on narcotics charges and not for murder, but that Dewey, then District Attorney, took Lepke away from the G-men and won the death penalty.

Asbury takes Costello through a typical day. The racketeer rises in the seven-room $3600-a-year apartment on Central Park West, has breakfast, talks by phone or in person to business "associates," many of them criminals, or to "friendly judges and city officials *[and to]* certain politicians of Tammany Hall yesterday showed that where their behalf."

Costello then frequently goes to a "well-known midtown hotel," a favorite of such pals of his as Willie Bioff, the movie racketeer, Luciano, who once lived at the hotel, and the late gangsters Lepke Buchalter and Dutch Schultz.

Erickson Called Costello's 'Underling'

After an elaborate ritual in the hotel's barber shop Costello goes to the grill for lunch, usually with guests like the notorious bookie Frank Erickson, who, says Asbury, the new York police think is Costello's underling. "In political and racketeering circles," says Asbury, "to be tapped for lunch by Costello is considered something of an honor."

Other Costello luncheon guests, says Asbury, are Tony Bender, alleged policy racketeer, Vincent (*Jimmy Blue Eyes*) Alo, identified as one of Costello's chieftains, Joe Adonis, Brooklyn racketeer and Costello's chief underling in numerous gambling enterprises, notably some high-class dives in Florida and New York," and Bugsy Siegel, West Coast gambling suzerain who has been accused—but never convicted—of everything from rape to murder.



Frank Costello
'Prime Minister'

After lunch, says Asbury, Costello may go golfing, or to the racetracks, or visit his Wall Street properties. He owns 79-85 Wall St., 87-89 Wall St., and the adjoining 114 Water St., all in the name of the 79 Wall Street Corp. When Costello bought them in 1944. They were assessed at $512,000.

Now Assessed At $503,000

Asbury says they are now assessed at $437,000 and implies that this reduction was a political favor. However, on the 1947-48 rolls they are assessed at $503,000, a reduction of only $9000, on which Costello's tax saving would be a scant $270 or thereabouts—hardly worth bothering about.

At the racetracks, says Asbury, Costello's frequent [illegible] are Trigger Mike Coppola and Joey Rao, East Harlem gangsters out on bail in the Scottoriggio case.

Other Costello pals, says Asbury, are Clarence Neal and Mike Kennedy, Tammany leaders, and he says the racketeer used to be very chummy with James J. Hines, Tammany boss who was convicted in 1944 after serving nearly four years for protecting criminals.

Copa, Stork Deny Costello Owns Interest

Asbury says Costello and his wife, Loretta, often eat at the Copacabana, in which, says the article, the police think Costello has an interest. Jack Entratter, manager of the Copa, told PM yesterday in the absence of the cafe's owner, Monte Proser, that the club is owned solely by themselves.

Asbury cites "common but apparently erroneous gossip" that Costello owns a piece of the Stork Club, and says a Federal agent some years ago found telegrams sent by Costello asking Sherman Billingsley, the Stork owner, to give loans to various people.

"Costello never owned a fraction of one per cent of the Stork," Billingsley told PM. "I never got a telegram from him and I never put a man to work for him in my life."

Billingsley Denies A Statement

Asbury says that at a 1944 police hearing Billingsley testified that he was afraid of Costello, and the article goes on:

"When asked to clarify this statement Billingsley said that if Costello should come to him and ask for $5000, or $10,000, he would hand over the money immediately without making any objection or asking for security. He explained that Costello was not the type of person he would want against him."

"That's not [illegible] at all," said Billingsley. "I never testified th[at] was afraid of him. If he asked [me] for $25,000 or any other amount [of] money I had I'd let him have [it] not because I feared him but [be]cause I know he's good for it [and] will repay it. Any night club own[er] who knows him would lend [him] him.

Everybody Likes Costello

"I like Costello, just as I thi[nk] everyone else on Broadway lik[es] him. I think anybody who met *him* would like him. He comes he[re] maybe once or twice a year—w[ould] be all right with me if h[e] came in every day."

Billingsley admitted that Coste[llo] gave him a gold watch late la[st] year but said: "So what? There['s] nothing significant about that. [It's] a little plain watch. I don't kno[w] the make, because I don't wear a[ny] jewelry."

Asbury says the police and t[he] Federal Government for years ha[ve] been trying to pin something [on] Costello, but without any luck. [The] only prison term Costello ever [ser]ved, says Asbury, was in 1915 f[or] carrying a gun.

Costello Came to U. S. A. in 1895

By Costello's sworn testimony h[e] was born in Italy in 1891 and ar[-] rived here in 1895. He was naturalized in 1925. Asbury says the na[-] turalization records don't show h[is] felony arrest nor the fact that, u[n]der oath in the Aurelio case, h[e] testified that at the time he becam[e] a citizen he was in the bootleggin[g] industry.

Asbury says the courts have he[ld] that failure to notify them of vi[o]lation of a State statute or of th[e] Federal Constitution is a fraud upo[n] the court which "may be the b[asis] of an action for revocation of [the] zenship and deportation."

Frank Costello

COSTELLO LAWYER IN POLICE WIRETAP

Device Used to Get Evidence on Gambler, Witness Tells U. S. Tax Case Hearing

By EDWARD RANZAL

Wide use of wiretaps and close cooperation between Federal and state agencies to get evidence against Frank Costello were detailed yesterday in Federal Court.

The testimony was given at a hearing before Judge John F. X. McGohey on a motion to set aside the 65-year-old gambler's 1954 income tax evasion conviction. The defense contends that the Government's evidence was based on information obtained by wiretaps.

Evidence obtained by wiretaps has been held illegal under Federal law. Recently, however, Judge Harold R. Medina of the United States Court of Appeals held that if a Federal officer did not take part in the taps the evidence obtained was admissible. The issue is expected to be resolved by the United States Supreme Court.

Under state law wiretapping by prosecutors is permissible, but they must first obtain an order from the State Supreme Court.

Ex-Police Captain Testifies

William Grafenecker, who formerly headed the detectives assigned to District Attorney Frank S. Hogan's office was called as a witness for Costello. He said that the city police, to get evidence against the gambler, tapped the telephone wires of George Wolf, one of Costello's attorneys, in 1936 and 1937. William C. Dodge was District Attorney then.

file 6-

67C [redacted]

CLIPPING FROM THE

N. Y. N.Y. TIMES

DATED JUN 14 1957

FORWARDED BY N. Y. DIVISION

P. 52 LATE CITY

RE: FRANK COSTELLO
(GIIF) TOP HOODLUM
COVERAGE
RESEARCH MATTERS

BUFILE 94-

62-76543-A

NOT RECORDED

44 JUN 24 1957

67 JUN 24 1957

Mr. Wolf said the tapping of his telephone "is news to me." He said that he had no relations with Costello until 1943.

Under questioning by Costello's attorney, Edward Bennett Williams, Mr. Grafenecker said that Mr. Hogan's office had maintained wiretaps on Costello's home phones at 115 Central Park West from 1943 to 1954. The witness said he retired in 1954.

Mr. Hogan refused to comment on a matter "under litigation."

Mr. Grafenecker testified that the District Attorney's files on Costello, including wiretap reports, were made available to the Bureau of Internal Revenue. He recalled that conversations by Costello had included information about the purchase of a Cadillac and a family mausoleum. Also, there was a record of calls by the gambler's wife in which she made various purchases.

The Government's tax case against Costello was based on the net worth theory. The Government was able to show that the gambler's expenditures greatly exceeded his reported income since 1937, when he made a net worth statement to the Bureau of Internal Revenue.

Mr. Grafenecker said that two detectives from his staff were assigned to the income tax bureau for several years. A complete record of all the Costello wiretaps was made available to the Senate Crime Investigating Committee before it questioned the gambler in 1951, he added.

Costello's first witness was William J. Mellon, retired agent for the Intelligence Unit of the Treasury Department. Mr. Mellon said that from 1934 until he retired in 1949 he personally placed taps on 10,000 telephones for the Treasury Department. He added, however, that after 1937 he installed only 200 taps in income tax cases.

In 1937, he said, he was sent to New Orleans to gather evidence against Costello, Dandy Phil Kastel, a slot machine partner of Costello, and the latter's brother-in-law, Dudley Geigerman.

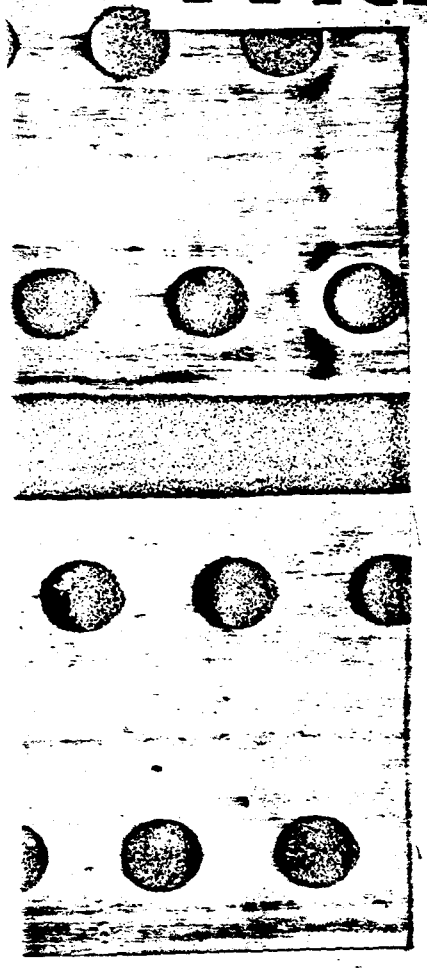
He said he tapped three telephones there, including one in the Roosevelt Hotel, where Costello and Kastel maintained an office. Mr. Mellon reported that until he retired he had close liaison with Mr. Grafenecker in the exchange of information.

Under cross-examination by Assistant United States Attorney Arthur Christy, Mr. Mellon admitted that he had never placed a tap on Costello's personal telephone.

Costello was sentenced to five years on the tax evasion. He served more than a year before he was released in $25,000 bail pending a decision by the Supreme Court on whether the court had the right to impose more than a one-year term. The high court decided against Costello.

The hearing will continue today.

Tropicana Denies Tie With Frank Costello



TROPICANA

(Continued from Page 1)

llo ever had or now has any interest whatsoever in Hotel Tropicana and state that any assertion or inference to the contrary is entirely without foundation.

"The Board further states that in January, and prior to the opening of the Hotel Philip Kastel sold his entire interest in the venture to the Corporation and that since that time he has had, and now has no interest in the Hotel or in its operation.

"The Board further states that the Hotel has more than 600 employees, a number of whom have access, in the course of their duties, to operating figures, but none of whom is authorized to give any such information to anyone other than the officers or department heads of the Hotel.

"Upon learning of the unauthorized disclosure of the casino figures several weeks ago, the Directors and officers of the hotel immediately cooperated with the Nevada Gaming Control Board and, working in conjunction with the Board, have been and are conducting a through and intensive investigation of the facts, have made all of the books, records and files of the hotel available to the Board and have cooperated in any way and will continue so to do, to determine the source of the unauthorized

Say Casino Win Disclosure Was 'Unauthorized'

Gambler Frank Costello received casino winnings figures from the Tropicana hotel through "unauthorized disclosures" made by one of his "connections" in the newest Strip resort hotel, officials said last night.

The hotel executives also emphatically denied Costello had an interest in the resort as intimated in news releases from New York.

The "connection" is believed to be one of the 600 hotel employes a few of whom have access to the official hotel records, possibly a bookkeeper or auditor. Who he (or she) is, is "anybody's guess," the hotel source said.

[redacted] issued the following statement last night:

[redacted] immediately following the release of the story, many categorically denied that Frank Costello

Las Vegas Sun Newspaper
Las Vegas, Nevada
6/13/57
FRANK COSTELLO;
Information Concerning
SU file 62-2016
(2 CC Bureau)

61 JUL 2 1957

NOT RECORDED
126 JUL 2 1957

Costello's Stakes In Las Vegas Sifted

CLIPPING FROM THE
N.Y. WORLD TELEGRAM & S
N. Y.
JUN 13 1957
DATED
FORWARDED BY N. Y. DIVISIO
P.25 NIGHT

RE: FRANK COSTELLO
(GIIF) TOP HOODLUI
COVERAGE
RESEARCH MATTERS

BUFILE 94-

162-76543-A
NOT RECORDED
44 JUN 24 1957

67 JUN 24 1957

2 States Check Link To Casino

New York and Nevada authorities are trying to determine the extent of the Las Vegas gambling interests owned by gangster Frank Costello and his longtime partner Dandy Phil Kastel.

Costello and Kastel, officials believed, control a share in the gambling casino of the new $15 million Tropicana Hotel, plus juicy slices of other Las Vegas casinos and slot machine operations.

The Tropicana casino opened for business on April 3. By April 26, the house had won $651,284. This identical figure, listed under "gross casino wins as of 4-26-57," was found on a note in Costello's pocket last May 2 as he was receiving hospital treatment for a slight scalp wound. He was shot as he entered his apartment building, 115 Central Park West.

Connection Claimed.

"It is a fact that there is a connection between Costello and the Tropicana," Police Commissioner Stephen Kennedy said yesterday. District Attorney Frank S. Hogan made a similar announcement.

Nevada Gov. Charles Russell declared that "action will be taken forthwith" if the Costello-Tropicana link is proved. Nevada's gambling laws prohibit the issuance of gambling licenses to persons with criminal records.

Mr. Hogan said the Tropicana was built by Ben Jaffe, reportedly a part owner of the luxurious Hotel Fontainebleau in Miami Beach. Mr. Jaffe, an Indiana insurance executive, set up Bond Estates, Inc., as

Kastel Forced Out.

owner of the Las Vegas hotel.

Kastel got a lease to run the Tropicana by putting up $1 million deposit and agreeing to pay Bond Estates $100,000 a month, Mr. Hogan said. As soon as the Nevada Gaming Control Board heard of this deal, it forced Kastel out before he could even apply for a gambling license. The gaming board was led to believe that Kastel sold his interest to some Chicago businessmen, who obtained the gambling license on March 20.

The license lists 24 persons as having financial interests in the Tropicana casino. They include singer Morton Downey, of Wallingford, Conn., who has a 5 percent interest; Harold Valentine, oil distributor, of Short Hills, N. J., 1¼ percent; Richard Muckerman, former owner of the St. Louis Browns, 2½ percent.

Louis J. Lederer, gambler and Chicago auto dealer, had the largest interest—9 percent—but his license was revoked recently because he failed to raise $90,000 of his proposed investment.

Cashier Vanishes.

DA Hogan said the memo in Costello's pocket was written by an assistant cashier at the Tropicana casino who formerly worked at the Belvedere Country Club, New Orleans gambling casino owned by Costello and Kastel. The cashier was in Las Vegas the night Costello was shot, but disappeared the day Costello was held in contempt for refusing to answer a grand jury's questions about the memo.

The cashier eventually returned to Las Vegas and was picked up by police for questioning about the note. He denied writing it, though handwriting experts said he was the author.

Hotel Denies Costello Has Any Interest

LAS VEGAS, NEV., JUNE — The president of the swank Tropicana resort hotel Thursday denied that New York gambler Frank Costello had any interest in the $11 million hotel.

The denial followed a report that a piece of paper found in Costello's pocket when he was shot while leaving his apartment in New York City May 12 listed gross winnings as of "4/26" as $651,284. The Nevada Gaming Control Board said the winnings, which included $153,745 in IOU's and $62,184 from slot matchines, "appear to correspond to the cumulative totals of the Tropicana Hotel as of April 26, 1957."

Tropicana President T. M. Schimberg said the owners "categorically deny that Frank Costello ever had or now has any interest whatsoever in the hotel." In regard to the figures, Schimberg said that a copy of the hotel's more than 800 employes had access to the gaming totals.

The Tropicana is the newest of the hotels on the Las Vegas Strip. The gaming board had delayed recommending that the hotel be granted a gambling license until it was told that "Danny Phil" Kastel, onetime New Orleans gambler and former Costello associate, had been withdrawn as a promoter of the venture.

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DESERET NEWS & TELEGRAM
SALT LAKE CITY
JUNE 13, 1957

162-76543-A
NOT RECORDED
44 JUN 24 1957

67 JUN 24 1957

COSTELLO'S STAKE IN NEVADA SIFTED

Report Found on Gambler Is Basis of Investigation Into Role in Las Vegas Casino

By WAYNE PHILLIPS

New York and Nevada authorities were trying yesterday to determine whether Frank Costello owned a secret share in one of the plush new Las Vegas casinos, the Tropicana.

District Attorney Frank S. Hogan of New York said that because Costello was carrying a report on winnings at the club when he was shot last month, it was a "fair assumption" that he had an interest in the $5,000,000 enterprise. Nevada's Gov. Charles Russell declared that action "will be taken forthwith" if the investigation being carried on there shows this to be so.

Nevada's gaming laws prohibit those with criminal records from having an interest in gambling operations and require on the license to operate the listing of all partners in gambling enterprises.

The license of the Tropicana, which opened on April 3, lists twenty-four persons as having financial interests.

The largest holder was Louis J. Lederer, a Las Vegas gambler and Chicago automobile dealer, who was listed as having an interest of 9 per cent. His gambling license, however, was revoked by the licensing board because he failed to raise $90,000 of his proposed investment.

Chicagoans on List

The other large owners listed were Paul J. Anderson, a Chicago soft-drink manufacturer; Charles Baron, also a Chicago automobile dealer, both holding 6 per cent; Abe Kaplan, a retired Los Angeles liquor dealer, and Morton Downey, a singer who

file

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CLIPPING FROM THE N.Y. TIMES

N. Y.

DATED JUN 13 1957

FORWARDED BY N. Y. DIVISION

P.26 LATE CITY

RE: FRANK COSTELLO (GIIF) TOP HOODLUM COVERAGE RESEARCH MATTERS

BUFILE 94-

62-116543-A

NOT RECORDED

14 JUN 18 1957

307

63 JUN 18 1957

lives in Wallingford, Conn., both 5 per cent.

Dandy Phil Kastel, a New Orleans gambler, was reportedly the moving spirit in organizing the building of the new casino. He was forced to withdraw as a shareholder after the gaming board had held up the license because of his criminal record.

Kastel and Costello have been associates since they were introduced by Arnold Rothstein, a gambler cut down by gangland bullets in a West Side hotel during the late Twenties.

When Mayor Fiorello H. La Guardia drove them out of New York in 1934, they were grossing a reported total of $50,000,000 a year. At the invitation of Gov. Huey Long of Louisiana, the business was moved to New Orleans.

There Costello and Kastel were partners in a succession of slot-machine companies and a lucrative gambling casino, the Beverly Country Club in Jefferson Parish, outside New Orleans. Costello served fifteen days of a contempt of court sentence last month rather than answer the questions of a New York county grand jury about the handwritten memorandum found in his pocket.

The memorandum said, according to the District Attorney's office:

"Gross casino wins as of 4-27-57, $651,284. Casino wins less markers [I.O.U.'s], $434,695. Slot wins, $62,844. Markers, $153,745."

The note also listed what apparently were payments made to several persons, including one notation of "L., $30,000."

Mr. Hogan said yesterday that the handwriting on the note had been traced to an assistant cashier at the Tropicana, and that an examination of the casino's books indicated it was a report on the first twenty-four days of operation.

The man who wrote the memorandum, whom he declined to identify, formerly worked in the Beverly Club in New Orleans, Mr. Hogan said. He described the man as "a minor figure."

The district attorney said the man apparently did not deliver the note to Costello, since he was in Las Vegas until Costello was jailed for contempt. Then he left the city, but since has returned and is being questioned by Las Vegas authorities.

Costello Took Jail Rap To Keep Las Vegas Secret

CLIPPING FROM THE
N. Y. N.Y. POST
DATED JUN 12 1957
FORWARDED BY N. Y. DIVISION
P. 5 NIGHT EXTRA

RE: FRANK COSTELLO
(GIIF) TOP HOODLUM
COVERAGE
RESEARCH MATTERS

BUFILE 94-

INDEXED-9

62-76543-11

NOT RECORDED
44 JUN 18 1957

EX-105

61 JUN 21 1957

By WILLIAM H. A. CARR

Frank Costello was willing to face a 30-day jail sentence rather than disclose that he has an illegal interest in Las Vegas' multimillion-dollar Tropicana Hotel, Nevada investigators told The Post today.

William Sinnott, a member of the Nevada Gaming Control Board, said that the mysterious memorandum about "gross casino wins" of $651,284, found in the racketeer's pockets after he was wounded by an unidentified gunman May 2, apparently referred to total winnings in the hotel's casino.

He told The Post that the luxurious new hotel's books showed that its winnings for the 24-day period ended April 26 equalled the amount shown on the memo. The "markers" (IOUs) of $153,745 and the "slot wins" of $62,844 also tallied, Sinnott said.

Sinnott said the evidence, uncovered by the State Gaming Board and two investigators from the New York District Attorney's office, "presumably indicates" that Costello, operating through a front man or men, has a financial interest" in the Tropicana.

Costello has refused to answer questions about the memo, even though he was sentenced to 30 days for contempt of court for his silence. He is now out in bail pending his appeal from the contempt ruling.

New York authorities are interested in the memo because they hope it may yield a clue to the motive behind the puzzling, unsuccessful attempt to assassinate the notorious rackets boss.

The reason behind Costello's reticence appeared plain: Under Nevada's gambling laws, a casino can lose its license for concealing true ownership, and no ex-convict or known criminal can obtain a gambling license.

The licensees of record listed with the State Gaming Board for the Tropicana include singer Morton Downey.

Sinnott did not say whether the State Gaming Board intended to call a hearing on possible revocation of the Tropicana's gambling license. Under state law, a public notice of such a hearing must be given seven days in advance, and no license can be canceled without a hearing.

Tied to Nevada Gambling

Costello and many of his gangland associates, including Frank Erickson and Meyer Lansky, have long been known to have interests in Nevada's gambling spots.

The Tropicana was built by "Dandy Phil" Kastel, New Orleans gambler, at a cost of $15,000,000 this spring, but it obtained a gambling license only after Kastel very ostentatiously "withdrew" from the enterprise.



PHIL KASTEL

Kastel has long been associated with Costello. The Kefauver Crime Committee hearings brought out tha the owned 47½ per-cent of the Beverly Country Club, a gambling casino outside New Orleans, and Costello owned 20 per cent.

Kastel and Costello also were partners, according to the Kefauver group, in the Piping Rock Club at Saratoga Springs. Another Piping Rock partner was Sidney Robinson, who was vice president of New York's Copacabana night club.

Prosen Ducks Reporter

The former manager of the Copacabana, Monte Prosen, is

Continued on page 77



FRANK COSTELLO
Did somebody front for him?

entertainment director at the Tropicana, in Las Vegas. Passer evaded a Post reporter who tried to question him about the hotel this morning.

The Kefauver Committee reported that Costello's connections with the Copa were so close at that time that after the club opened, "arrangements to meet Costello at one or another (place) would be made by phoning the Copacabana where one of the employes was kept informed of such matters and was able to advise the proper people."

The Tropicana's gambling license was approved by the Nevada State Gaming Board and the State Tax Commission on March 20 to the following group of persons, incorporated under the name of "The Hotel Conquistador, Inc., doing business as the Hotel Tropicana:"

Joanne R. Abeles, Chicago, housewife, 1 per cent; Paul J. Anderson, Chicago, soft-drink manufacturer, 6 per cent; Charles Baron, Chicago, Ford dealer, 6 per cent; Mahlon B. Brown, Las Vegas attorney (corporate purposes only); Rodger J. Clary, Shalimar, Fla., local manufacturering and resort business, 1 per cent; Bernard Zangwell Cohn, Chicago, scrap metal dealer, 3½ per cent; Edward J. Denvir, Oak Park Ill., retail clothing, 1 per cent; Morton Downey, Wallingford, Conn., singer, 5 per cent; Preston Feinberg, River Forest, Ill., scarp metal and automobile agency, 3½ per cent; Jackie Fields, Las Vegas liquor sales and promotion, 1 per cent; William D. Harrigan, Fulton, Ala., lumber mfg., 4 per cent; Alma M. Johnson, La Vegas, (for corporate purposes only); Harold David Johnson, Hammond, Ind., retail fuel sales, 1 per cent.

Jack Allen Kalis Chicago, printer and publisher, 1 per cent; Abe Kaplan, Los Angeles, retired liquor dealer, 5 per cent; Louis J. Lederer, Las Vegas gambler and Chicago Ford dealer, 9 per cent; (Lederer's license was recently revoked by the Clerk County's Licensing Board because he failed to raise $90,000 of his proposed investment). Max Marmorstein, Cleveland real estate, 2½ per cent; Solomon Bernard Mirsky, Chicago real estate, 3 per cent; Richard C. Muckerman, Clayton, Mo., soft-drink mfg., 2½ per cent; Sidney Sales, Chicago lingerie manufacturer, 2½ per cent; Louis F. Urban, Dandee, Ill., manufacturer of coin vending machines, 2½ per cent; Harold L. Valentine, Short Hills, N. J., wholesale oil distributor, 1¼ per cent; Rodger Wilson, New Orleans contractor, 2 per cent; Kel Houssells, Sr. and Kel Houssells, Jr., and Joanne Houssells, Las Vegas operators total of 6 per cent.

Pending as of May 23, for interest: Jacob H. Mayheimer, Jersey City, commission broker, 4 per cent; Louis H. Lewis, 1 per cent; Frank D. Waters, 3 per cent; John [illegible] Colahan, 2 per cent.

Original applicants but who have since withdrawn includ; Herman Charles Kloorfain, New York hotel owner (Seminole Hotel); Steward Cloorfain, New York dress manufacturer, and Mitzi Arline Stamm, daughter of Charles Kloorfain, Montreal housewife. (Earth had applied for 1 per cent.)

COSTELLO HOOKED UP TO TROPICANA HOTEL

RENO EVENING GAZETTE
RENO, NEVADA 6/12/57

62-76543-4
NOT RECORDED
126 JUL 2 1957

57 JUL 3 1957

New York District Attorney Explodes Case

Casino Operation Figure Traced to Las Vegas Spot

Nevada Gaming Group Unaware of Connection

By BRYN ARMSTRONG

Nevada gambling circles, on both sides of the table, were somewhat "shook up" today with an announcement from New York establishing that Boss Racketeer Frank Costello has an uncommon interest in the inside affairs of a Las Vegas resort hotel, the plush Tropicana.

A spokesman for New York District Attorney Frank Hogan told the Associated Press that the mysterious $651,-284 notation on a slip of paper found in Costello's pocket the night he was shot by an attempted assassin tallies exactly with the total gambling winnings for a 24-day period at the Tropicana.

The Hogan spokesman said that this finding made it a "fair assumption that Costello has a good piece of the Tropicana . . ."

Supporting the district attorney's office in the statement of a Costello connection was Stephen Kennedy, New York police commissioner.

Kennedy said "It is a fact" that police have established "a connection between Costello and the Tropicana hotel."

He said it is not known, however, whether Costello is a part owner.

"We are working on that," Kennedy told the Associated Press.

APEX OF CAUTION

Nevada gaming control officials were much more cautious than that, however.

Official statements from various Nevadans involved in controlling the legal gaming industry declared only that if investigation disclosed concealed interests or other wrongdoing, the Tropicana operators would be prosecuted.

These statements added that Nevada gaming control officials have been probing a possible Costello link with Nevada gaming since the slip was found after the May 2 shooting. There was no explanation why an obvious link was announced by New York investigators.



FIND EVIDENCE — Figures found on a note slip in the possession of mobster Frank Costello when he was recently ceased by an assassin's bullet New York have been related activities at the Tropicana Hotel in Las Vegas by New York's district attorney's office.

POOR MARKSMAN

Costello suffered a slight head wound when an unidentified gunman with poor aim took a shot at him in the lobby of a swank apartment house overlooking New York's Central park.

Costello was headed for his apartment when a potbellied man snarled: "I've got something for you, Frankie," and fired a .38 caliber revolver at him. The would-be gunman, a blonde with his hair plastered down with pomade, waddled away and r-

(Turn to page 9, col. 2)

COSTELLO VEGAS TIE-IN FOUND

(Continued from page 1)

mains unidentified by police, at last.

The slip of paper was found in Costello's pocket by police while the mobster boss was being treated for the scalp wound at a hospital.

The note read in part:

"Gross casino wins as of 4-26-57 $651,284. Casino wins less markers, $435,695. Slot wins, $62,844." A "marker" is betting slang for an IOU.

PRECIPITATES CHECKUP.

Immediately after the shooting and the discovery of the memorandum, a rare thing among the hoodlum element which usually does business with as few documents as posible, New York police started looking into various casinos around the country, seeking a motive for the Costello shooting.

The early theory was that someone unable to pay off a "marker" sought to eliminate Costello instead.

Costello, 64, was sentenced to jail for refusing to answer questions about the gambling memorandum before a Manhattan grand jury investigating the attempt to assassinate him.

The Hogan office spokesman declared today that Costello "clammed up" before the grand jury because he did not want to reveal a Tropicana tieup.

The spokesman said examination of the Costello memorandum by police handwriting experts revealed that it was written by an employe of the Tropicana casino who formerly worked at the Beverly Country Club in New Orleans.

KEFAUVER HISTORY

Testimony at Kefauver crime committee hearings spotlighted that the Beverly Country Club was a Costello enterprise "fronted" by "Dandy" Phil Kastel.

Kastel, 65, spent more than three years in Las Vegas supervising the planning, building and decorating of the Tropicana, and at one time made round about approaches to the Nevada Tax Commission to determine if he could obtain a Nevada gambling license.

When he learned the answer was "No!" Kastel announced he was dissassociating himself from the enterprise and the report was that he was to receive $340,000 for his interest.

Kastel once served a sentence for mail fraud involving bucket shop operations — questionable stock sales—and has a long history of association with the underworld hierarchy.

Hearigs on the Tropicana license were held in Carson by the gaming control board in early March and the license was granted March 20.

FLASHY OPENING HELD

Lavish opening rites, with Singer Eddie Fisher and his wife, Debby, the star attractions, were held April 3. Many state employes and public officials were invited to, and attended the grand opening. The guest list included several state senators fresh from a bitter debate over gaming control in which a handful of legislators and Gov. Charles H. Russell beat off a determined attack upon state authority over the industry.

Governor Russell, when he was informed that the New York district attorney's office had aired the possible Costello connection with Nevada gambling, declared:

"Members of the Las Vegas auditing staff of the gaming control board, board members and other investigators tsarted a probe immediately after the figures were found on Costello. This investigation has continued. A full report will be made June 28 at the next regular meeting of the tax commission. If the investigation discloses that anything is wrong, appropriate action will be taken immediately."

CONTROL BOARD CHECKS

The governor said that the gambling control board investigation had confirmed that the numbers on the memorandum appeared to correspond with the gross win of the Tropicana casino in the period between the opening and April 26.

William Sinnot, gaming control board member in charge of investigations said his staff had been trying since May 2 to determine if Costello held hidden interest in the Tropicana.

"If there is anybody in there with a concealed interest, we'll prosecute him," Sinnott declared. He said the memorandum figures "appear to correspond with cumulative totals of the Tropicana for the same dates."

Sinnott declined to say, however, whether he, too, believed, or his sinvestigators had establishsed that it was a "fair assumption that Costello has a good piece of the Tropicana," as was asserted in New York.

On May 11 gaming control board members told the Reno Evening Gazette that the Costello affair was being investigated in Nevada.

PREVIOUS RUMORS HERE

The story in the May 11 issue reported that while there was no official word, the state investigation was centered upon the 15-million dollar Tropicana.

The story continued that it was natural for the Tropicana to come under scrutiny because it obtained a license only after one-time Costello partner Phil Kastel was "disassociated" from the enterprise.

Major interest holders in the Tropicana are Theodore Schimberg, Chicago bottling company executive; Charles Baron, Chicago auto dealer; singer Morton Downey of Wallingford, Conn., Abe Kaplan, retired Chicago liquir distributor, and J. K. Houssels, sr., veteran Las Vegas gambler and race horse owner, who is casino manager, J. K. Houssels, jr., and Jeanne S. Houssels also of Las Vegas.

The license of Louis Lederer, another major interest holder, was revoked by the Clark county licensing board because he had failed to fulfill financial obligations he had outlined to board members in original license hearings.

State Sen. B. Mahlon Brown of Las Vegas is listed as a member of the board of directors for corporate purposes only. During the March gaming board hearings, Brown, who was in Carson for the 1957 legislative session attended the meetings, with Bryan Burton, Loss Angeles attorney representing the license applicants.

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Costello's $651,284 Tally Traced to Vegas Casino

NEW YORK, June 12 (AP).—The mysterious $651,284 notation on a slip of paper found in racketeer Frank Costello's pocket the night he was shot tallies exactly with the total gambling winnings for a 24-day period at the Tropicana Hotel in Las Vegas, a spokesman for Manhattan District Attorney Frank S. Hogan said today.

The Hogan spokesman said that on the basis of this finding it would be "a fair assumption that Costello has a good piece of the Tropicana and that is why he clammed up when asked about the figures by the grand jury."

Costello, 64, was sentenced to jail for refusing to answer questions about the gambling memorandum before a Manhattan grand jury investigating the attempt to assassinate him May 2.

May Lead to Motive

Police are said to consider that the slip of paper may lead to the motive for the still unsolved shooting of Costello.

The Hogan spokesman said examination of the Costello memorandum by police handwriting experts revealed it was written by an employe of the new Trouicana Casino who formerly worked at the Beverly Country Club in New Orleans. Testimony at the Kefauver Senate Chime Committee hearings spotlighted the Beverly Country Club as a join enterprise of Costello and "Dandy" Phil Kastel.

The slip of paper found in Costello's pocket by police while he was being treated at a hospital for a slight scalp wound listed gross "casino wins" of $651,284.

Mr. Hogan and Police Commissioner Stephen P. Kennedy are said to have established that the gambling tables at the Tropicana won exactl ythat amount in the 24-day period ended last April 26. That date tallies with the date on the hand-written memorandum taken from Costello's pocket. The memo listed the $61,284 winnings as of "4-26-57," including $153,745 in "markers"—betting slang for IOU's—and "slot wins" of $62,844.

Filmed and Returned

After the memorandum was found in Costello's pocket—photographed, and then slipped back—police and investigators of the district attorney's office started checking gambling casinos in various parts of the country.

The plush Tropicana Hotel, which opened on the Las Vegas strip only two months ago, was reportedly built by Kastel. The Tropicana obtained a gambling license only after Kastel was disassociated from the enterprise. Kastel once served a sentence for mail fraud involving bucket shop operations, and Nevada law provides that no ex-convict may get a gambling license.

New York authorities contend Costello knows more about the attempt to assassinate him than he has told.

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A-24 THE EVENING STAR, Washington, D. C.
WEDNESDAY, JUNE 12, 1957

Costello's $651,284 Tally Traced to Vegas Casino

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HIGH COURT OKs COSTELLO'S TERM

Washington, June 3 (AP).—The Supreme Court today formally upheld the five-year sentence and $20,000 fine given gambler Frank Costello for federal income tax evasion.

Costello had contended he should have been sentenced under another section of the Internal Revenue Code which provides a maximum of one year in jail and $1,000 fine.

Properly Sentenced

The issue was decided last Monday in another case brought by Sam Achilli, who had been convicted in Chicago on tax evasion charges. The court said Achilli was properly sentenced under the stiff section of the code, the same section under which Costello was sentenced.

In a brief order today the court affirmed Costello's sentence. Costello had started serving his sentence last May but in March was released on $25,000 bond pending the Supreme Court's final action.

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Costello Loses Tax-Rap Plea

By WILLIAM L. UMSTEAD

WASHINGTON, May 27 (INS).—The Supreme Court today handed down a tax decision upholding a five-year prison term for New York gambler Frank Costello and four others who challenged a technicality in the 1939 Internal Revenue Act.

The decision came in the case of Chicago auto dealer Sam Achilli. But it also governs appeals of Costello, two businessmen—Poncet Davis, of Akron, and L. B. Binion, of Dallas—and Thomas W. Banks, a Minneapolis gambler.

The ruling was one of two involving tax charges. In the other, the court ordered a new trial for Henry (The Dutchman) Grunewald and two co-defendants convicted in a $160,000 tax-fixing scheme.

THE OTHER TWO convicted with Grunewald in New York Federal Court were Daniel A. Bolish, former Assistant Commissioner of Internal Revenue, and Max Halperin, New York attorney.

In the decision affecting Costello, the high court ruled that alleged income-tax dodgers cannot be tried under a misdemeanor section of the internal revenue laws.

The 7-to-2 ruling that stiffer felony provisions must apply in tax-evasion cases touched off a sharp dissent from Justices Douglas and Black.

They declared the decision "sweeps the ground out from dozens of criminal convictions" and the law under which the government brought about 175 alleged tax evasion cases between 1952 and 1957.

DOUGLAS AND Black declared: "Now it appears the government dealt unlawfully with this group of citizens. Those who were convicted on indictments might have to be resentenced. Those who were convicted on informations must be released."

But the majority held that the misdemeanor statute, which carries a maximum penalty of a $1,000 fine and a year in jail, does not apply to income-tax violations and never did apply.

Costello, who was convicted under the felony provision carrying up to five years and fines of $10,000, appealed on grounds he should have been tried under the misdemeanor law.

The decision in the Grunewald case reversed the convictions of the 64-year-old Washington "influence peddler," Bolich and Halperin.

THEY WERE CONVICTED of conspiracy in "fixing" the tax troubles of two New York firms—Patullo Modes, Inc., and Gotham Beeg Co.—and drew five-year terms.

The three men, free on bond, challenged their 1954 indictment on grounds it was barred by the three-year statute of limitations because "the objective of the alleged conspiracy had been achieved" five years earlier.

The government argued, however, that theare had been an "agreement" by the three to try to cover their tracks in 1952 and that this "continued the conspiracy" to bring it within the three-year limitation.

The Supremea Court unanimously reversed the convictions on grounds that the trial judge was guilty of a "fatel error" in explaining the legal aspects to the jury.

IT SAID THE JUDGE left the possibility that the jury could have found the conspiracy was continued by an agreement among the three defendants, and that this legal theory would have the effect of wiping out the statute of limitations in conspiracy cases.

The Supreme Court, driving to clear its docket before ending its present term next month, also granted a review of the three-year contempt sentences imposed on top Communist leaders Gilbert Green and Henry Winston for overthrow of the government.

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Costello Faces Return to Jail In Tax Ruling

United States Attorney Paul W. Williams said yesterday he was "studying the situation" to see how soon he could send gambler Frank Costello back to prison to finish out a sentence for income tax evasion.

The Supreme Court yesterday rejected Costello's appeal. Normally it takes twenty-five days for a Supreme Court mandate to reac hthe lower court—the nited States Court of Appeals. But Mr. Williams said he was going to see if he could expedite the matter.

Meanwhile, Costello returned early yesterday to his apartment at 115 Central Park West after having spent the week end at his summer home at Sands Point, L. I. He has recovered ffrom the slight gunshot wound of the head he suffered on May 2.

That shooting—still unsolved—led to his being sentenced to thirty days for contempt for refusing to answer certain questions of a grand jury investigating the shooting. After serving fifteen days, he was released in $1,000 bai pending appeal.

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Seeks to Jail Costello Fast

U. S. Attorney Paul W. Williams said here that he is studying the situation to see how fast he can put Costello back behind bars in his tax case.

Normally there would be a 25-day wait. Costello has been free in bail while the Supreme Court heard his appeal, and now that the decision has gone against him, it has to filter down through the Court of Appeals before he is ordered back to jail.

But as far as Williams is concerned, there is no reason for Costello to be at large and he will move to have him serve his sentence right away.

FRANK COSTELLO

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ostello Granted Week Delay

EW YORK, May 28 (U
ambler Frank Costello was
anted a four-week reprieve
oday from finishing his five-
ear sentence for income tax
vasion.

United States Attorney Paul
. Williams said it would take
least that long to comply
ith legal technicalities in-
olved in sending the 66-year-
d underworld chieftain back
o prison. Costello had served
nly 10 months of his sentence
hen he was released to ap-
eal last March 14. The appeal
as rejected yesterday by the
nited States Supreme Court.

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File #

FRANK COSTELLO

WPS
(TAX LAW)
THE SUPREME COURT REFUSED TO SHORTEN THE JAIL SENTENCES OF CERTAIN INDIVIDUALS, INCLUDING GAMBLER FRANK COSTELLO, WHO CHALLENGED A QUIRK IN THE 1939 INTERNAL REVENUE CODE.
OTHER PERSONS WHOSE CASES ARE GOVERNED BY TODAY'S OPINION INCLUDE RUBBER MAGNATE PONCET DAVIS OF AKRON, OHIO; L. H. DIXON OF DALLAS, TEX.; AND THOMAS H. HANKS, MINNEAPOLIS GAMBLER.
THE 7 TO 2 DECISION CAME IN THE CASE OF SAM ACHILLI, CHICAGO AUTOMOBILE DEALER.
JUSTICE FRANKFURTER SPOKE FOR THE MAJORITY. DISSENTERS WERE JUSTICES DOUGLAS AND BLACK.
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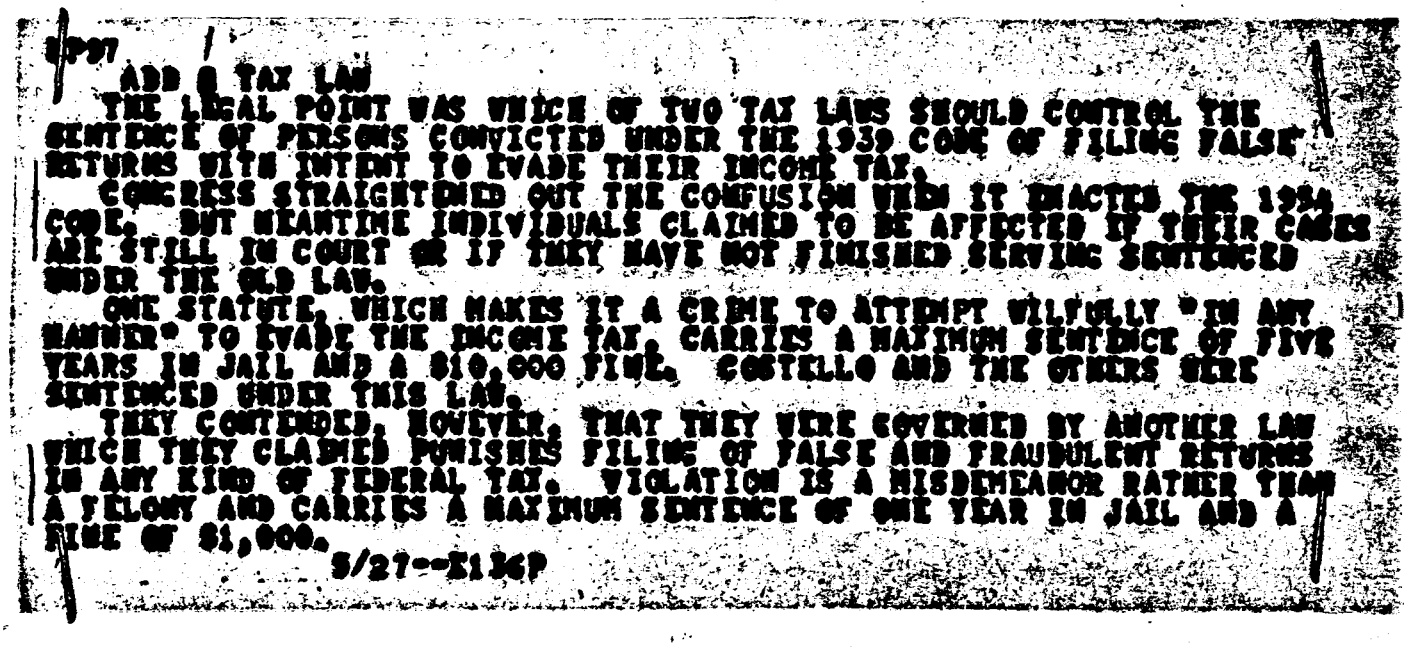
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ADD 2 TAX LAW

THE LEGAL POINT WAS WHICH OF TWO TAX LAWS SHOULD CONTROL THE SENTENCE OF PERSONS CONVICTED UNDER THE 1939 CODE OF FILING FALSE RETURNS WITH INTENT TO EVADE THEIR INCOME TAX.

CONGRESS STRAIGHTENED OUT THE CONFUSION WHEN IT ENACTED THE 1954 CODE, BUT MEANTIME INDIVIDUALS CLAIMED TO BE AFFECTED IF THEIR CASES ARE STILL IN COURT OR IF THEY HAVE NOT FINISHED SERVING SENTENCES UNDER THE OLD LAW.

ONE STATUTE, WHICH MAKES IT A CRIME TO ATTEMPT WILFULLY "IN ANY MANNER" TO EVADE THE INCOME TAX, CARRIES A MAXIMUM SENTENCE OF FIVE YEARS IN JAIL AND A $10,000 FINE. COSTELLO AND THE OTHERS WERE SENTENCED UNDER THIS LAW.

THEY CONTENDED, HOWEVER, THAT THEY WERE GOVERNED BY ANOTHER LAW WHICH THEY CLAIMED PUNISHES FILING OF FALSE AND FRAUDULENT RETURNS IN ANY KIND OF FEDERAL TAX. VIOLATION IS A MISDEMEANOR RATHER THAN A FELONY AND CARRIES A MAXIMUM SENTENCE OF ONE YEAR IN JAIL AND A FINE OF $1,000.

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ADD 2 TAX LAW (UP97)

FRANKFURTER RULED THAT THE SECOND LAW DOES NOT APPLY TO EVASION OF THE INCOME TAX. HE SAID THE LEGISLATIVE HISTORY OF THE STATUTE MAKES IT CLEAR THAT "ITS SCOPE HAD BEEN SHRUNK BY A SERIES OF SPECIFIED ENACTMENTS THAT HAD THE POTENCY OF IMPLIED REPEALS."

"DUE REGARD FOR APPROPRIATE STATUTORY CONSTRUCTION CALLS FOR SUCH A CONCLUSION IN ORDER TO HARMONIZE AN EARLIER, GENERALIZED STATUTE WITH LATER AD HOC ENACTMENTS EXPRESSLY DIRECTED TO THE COLLECTION OF INCOME TAXES," THE OPINION SAID.

SPEAKING FOR THE DISSENTERS, DOUGLAS ACCUSED THE MAJORITY OF "MENTAL GYMNASTICS." HE POINTED OUT THAT FRANKFURTER'S CONSTRUCTION "SWEEPS THE GROUND OUT FROM UNDER DOZENS OF CRIMINAL CONVICTIONS" WHICH THE GOVERNMENT HAS OBTAINED UNDER THE LESS SEVERE LAW.

HE POINTED OUT THAT BETWEEN OCTOBER, 1952, AND MARCH, 1957, THE JUSTICE DEPARTMENT INVOKED THIS LAW IN 175 CASES OF ALLEGED INCOME TAX EVASION. OF THE 135 THAT WENT TO TRIAL, HE SAID, 117 RESULTED IN PLEAS OF "NO DEFENSE," SEVEN WERE ACTUALLY TRIED; FIVE WERE ACQUITTED AND TWO CONVICTED. IN ALL, 24 WERE GIVEN PRISON SENTENCES AND SEVEN ARE STILL IN JAIL.

"NOW IT APPEARS THAT THE GOVERNMENT DEALT UNLAWFULLY WITH THIS GROUP OF CITIZENS," DOUGLAS SAID. "THOSE WHO WERE CONVICTED ON INDICTMENTS MIGHT HAVE TO BE RESENTENCED. THOSE WHO WERE CONVICTED ON INFORMATIONS MUST BE RELEASED. IT IS NO ANSWER TO SAY THAT THE RESULT IS A 'BREAK' FOR THESE DEFENDANTS. FROM THE STATISTICS SUBMITTED TO ME BY THE GOVERNMENT IT APPEARS THAT MANY OF THESE CASES WERE SO MINOR IT IS DIFFICULT TO IMAGINE A GRAND JURY RETURNING INDICTMENTS ON THEM."

COSTELLO AND BIRION WERE RELEASED ON $25,000 BOND BY THE SUPREME COURT ON MARCH 11 PENDING A RULING IN THE ACHILLI CASE.

3/27--RE223P

WASHINGTON CITY NEWS SERVICE

Boy, How They Love That Frankie Boy!

By FRED SPARKS.

He might not be a hero to the FBI—for 20 years he's made J. Edgar Hoover's Hated Mobster Parade—but he's a brand new hero to a certain section of New York's youth.

They love that Frankie Boy—even though the very last thing on earth he will do is "sing." They love Frank Costello, a new kind of Davy Crockett, a pioneer in the forest of organized crime.

They showed how much they loved him yesterday when Frankie Boy stepped off a ferry from Riker's Island Prison after residing there for 15 days. Teenagers in blue jeans and zipper-jackets and big freckled smiles gave him a rousing welcome.

Big, Broad Smile.

He gave them a big, broad smile and even shook a few hands. It was something a kid is going to remember forever, like the time us ancients cheered Lindbergh or Franklin D. Roosevelt, who, after all, were "squares."

Those who truly love Frankie Boy know how awful he's been treated. Why, some mobster tried to kill him and when Frankie refused to tell the cops or grand jurymen (those drips!) who might have winged him they locked him up in a cell without so much as a portable TV.

Yesterday things returned to normal. A Supreme Court judge ruled he was entitled to bail pending appeal of his conviction for contempt, which is a fancy

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CLIPPING FROM THE
N. Y. N.Y. WORLD TELEGRAM & SU
DATED MAY 23 1957
FORWARDED BY N. Y. DIVISI
P. 1 NIGHT

RE: FRANK COSTELLO
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way of saying that Frankie's lawyers—and he keeps them by the scores like pigeons on a roof—will have more time to maneuver.

Mere $1000 Bail.

A lot of the kids were hurt, though, for Frankie was released in only $1000 bail and, good heavens, he could have raised $500,000 just as easily as you can polish your switch blade knife.

I expect that all over town will now mushroom "Frankie Costello Fan Clubs," complete with club sweaters stenciled with loaded dice and autographed pictures of Frankie, maybe posing with some of the political leaders and judges and very rich business ment he always buys dinner in the Monsignore or Colony or Waldorf; boys, he's kind.

Wouldn't it be wonderful if all these fan clubs got together and hired Madison Square Garden and asked Frankie to address them on the problems of youth and how to get ahead in this world?

Success Story.

For he is a great success story and goes to the barber almost every day for sun-lamp treatments and massages and he changes silk shirts the way a hotel changes towels.

Frankie could tell how he came up the hard way via bootleg booze and gambling and racketeering

Continued on Page Two

csyndicates and buying political power as you buy candy bars, or marijuana cigarets if you're hep.

He might tell some of those wonderful stories about good friends like Charles (Lucky) Luciano, who helped a lot of poor girls make a living wage and was put into prison and deported to Italy (boooo).

Capone Dinner.

He might tell how his dear friend Al Capone gave a dinner for a man he hated one night in a Chicago hotel and after all the pretty speeches Mr. Capone sent for a baseball bat and beat the guest of honor to death—bee bop aloola—quick and final.

Naturally, all this will lead to a big Hollywood job on the widest possible screen (in blood-red and black) and Jimmy Cagney or Edward G. Robinson could play Frankie.

Own Sound.

Costello would, naturally, do the song track, for who could imitate him saying "I refuse to answer," clear and crisp—why it sends shivers up a girl's spine—when some judge or cop asks him about what is none of their business.

Sen. Estes Kefauver could play himself and everybody in New York could play themselves for the script would call for a lot of boobs and suckers.



Gambler Frank Costello smiles happily as he receives a rousing reception from a group of teenagers when he stepped off the Rikers Island ferry late yesterday. United Press Photo.

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Costello Ends Rikers Exile

By Eugene Spagnoli and Neal Patterson

Sprung in the nominal bail of $1,000, gambling overlord Frank Costello, the slightly creased target in a recent gunning, returned to the mainland late yesterday from 15 days in Rikers Island prison—silent to the press, but obviously pleased by the cheers of a gang of neighborhood youngsters.

Costello, closely attended by two city detectives, stepped ashore from the workhouse ferry at E. 135th St., Bronx, at 4:45 P. M., nearly five hours after Supreme Court Justice Edgar J. Nathan Jr. signed the order admitting him to bail.

Nathan had ruled that Costello was entitled to be out pending action by the Appellate Division on his appeal from the 30-day sentence given him May 7 for contempt.

He was jugged then for refusing to explain gambling notations found on his person after a "fat, waddling" gunman put a bullet hole through a corner of Frank's hat May 2 in the lobby of his apartment house at 115 Central Park West. The slug grazed his head.

The sum of $1,000 as bail was proposed before the judge by Morris Shilensky of Costello's legal staff and not opposed by Chief Assistant District Attorney Alfred J. Scotti.

Filed

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0-19 (Rev. 9-7-56)

Mason
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Costello Out on Bail

NEW YORK, May 22 (INS) Gambler Frank Costello was released from the Rikers Island workhouse today under $1000 bail after serving 15 days of a 30-day contempt sentence. Supreme Court Justice Edgar J. Nathan Jr. approved the release pending an appeal.

62-76543-A

NOT RECORDED
46 MAY 24 1957

Wash. Post and Times Herald A3
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date MAY 23 1957

~~61 MAY 24 1957~~

53 JUN 6 1957

Frank Costello

COSTELLO FREED ON BAIL OF $1,000

Released From Rikers Island After 15 Days—Greeted by Boys at Ferry Slip

By WAYNE PHILLIPS

Frank Costello was released on $1,000 bail yesterday after having served half of a thirty-day sentence for contempt of court.

The 66-year-old gambler, still nervous after an attempt to assassinate him on May 2, received a boisterous welcome when he stepped off a ferry from Rikers Island, where he had been confined.

On hand to greet him were two detectives, two attorneys, his bail bondsman, a score of reporters and photographers and eighteen small boys.

The youngsters, some of whom had waited four hours to see Costello, cheered him and crowded around him in attempts to shake his hand.

As he stood at the door of the ferryboat carrying him to freedom, Costello puffed nervously at a cigarette and peered apprehensively at the crowd waiting for him on the dock.

But the welcome obviously cheered him. As he walked rapidly away flanked by his attorneys, he pulled one red-haired lad to him and affectionately tousled his hair. Then, smiling, he shook the hands the other youths thrust at him.

Costello went directly to his apartment at 115 Central Park West, where a gunman had wounded him in the head nearly three weeks ago. One of his attorneys, who accompanied him, said he would remain there.

The court order releasing Costello on bail was signed shortly before noon by Supreme Court Justice Edgar J. Nathan Jr. The amount of bail had been agreed upon and was not opposed by the District Attorney's office.

Costello was jailed for contempt on May 7 after he had refused to tell a grand jury investigating the attack upon him about a memorandum taken from his pocket referring to $714,128 in slot-machine and gambling casino winnings.

The memorandum was taken from Costello's pocket by the police at Roosevelt Hospital, where he had gone for treatment after the attack. The police made photographic copies of it before returning it.

Justice Nathan commented, in ruling that Costello be admitted to bail, that although the memorandum had been "illegally obtained" in the course of "an unlawful search" it was still admissible as evidence both in state and Federal courts.

He held there was an issue to be decided by an appeal — whether the grant of immunity given to Costello for his grand jury testimony was sufficiently broad to protect his constitutional rights. And he held that the gambler should be admitted to bail until the appeal could be heard.

Douglas Catto, a bail bondsman of 7 Baxter Street, went to Rikers Island Workhouse as soon as the order to release Costello had been processed. After he delivered the order at 2:40 P. M., however, he was ordered off the island.

He waited for Costello near the ferry dock at 134th Street and the East River in the Bronx, and was joined there at 4 o'clock by Morris Shilensky and at 4:45

file #1

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CLIPPING FROM THE
N.Y. TIMES
S. Y.
MAY 23 1957
DATED
FORWARDED BY N. Y. DIVISI
P.26 LATE CITY

RE: FRANK COSTELLO
(GIIF) TOP HOODL
COVERAGE
RESEARCH MATTERS

BUFILE -

62-76543-A-
NOT RECORDED
46 JUN 3 1957

55 JUN 5 1957



The New York Times

COSTELLO RELEASED ON BAIL: Frank Costello arriving at Bronx pier yesterday after serving half of 30-day sentence on Rikers Island. Youngster was one of eighteen boys on hand to cheer the gambler and shake his hand.

by Edward Bennett Williams of Washington, two of the Costello attorneys.

Two detectives, Nathan Ury and Thomas Fusco of the West Fifty-fourth Street station, were assigned to pick up Costello on the first leg of the around-the-clock guard assigned to him since the shooting.

When they arrived at Rikers Island at 3:30 to pick him up, they were also ordered to return to wait for him at the ferry slip. They were the first to meet him when he stepped off the ferry at 4:55, followed his taxi to Manhattan an dtook up posts outside his apartment door.

Shortly before Costello left Rikers Island, high police officials who have been working on his case met at the West Fifty-fourth Street police station, where the investigation has centered.

Deputy Chief Inspector Edward W. Byrnes, in charge of detectives in Manhattan West, met with Deputy Inspector Frederick W. Lussen and a number of detectives at 4 P. M.

They were joined later by Detectives Ury and Fusco, who had accompanied Costello home. The conference ended at 7 P. M., but Inspector Lussen indicated he would remain on duty.

Costello Back Home, Readies Contempt Plea

Frank Costello's lawyers today prepared to appeal the contempt of court finding which cost him 15 days on Rikers Island and which may send him back there.

Costello was back in his swank apartment at 115 Central Park West, where his current troubles began when his scalp was creased by a gunman May 2, after being released in $1,000 bail late yesterday.

His lawyers, Edward Bennett Williams of Washington and Morris Shilensky, will appeal the 30-day sentence imposed on Costello May 7 by General Sessions Judge Schurman. Costello twice refused to explain to a grand jury investigating his shooting the meaning of "gross casino wins" found in his possession while he was being treated at Roosevelt Hospital.

Costello, freed in $1,000 bail set by Supreme Court Justice Nathan pending action by the Appellate Division, was being guarded around the clock by two detectives.

While the racketeer showed no pleasure at being greeted by the detectives, reporters and photographers as he debarked from the Rikers Island ferry, his face lit up when 18 admiring teen-age boys cheered him.

He rumpled the hair of one redhead, and shook hand with the others.

CLIPPING FROM THE

N. Y. N.Y. POST,

DATED MAY 23 1957

FORWARDED BY N. Y. DIVISI

P.2 NIGHT EXTRA

RE: FRANK COSTELLO
(GIIF) TOP HOODI
COVERAGE
RESEARCH MATTER:

BUFILE -

62-76543-A

NOT RECORDED
44 JUN 5 1957

55 JUN 5 1957



Vincent Gigante
Where is he?

Guard, State Department, Traffic Summons Control Bureau, magistrates' courts, State Motor Vehicle Bureau and even to Western Union and U. S. shipping companies.

THE NEWS was also reliably informed that Gigante does—or did—know Costello and that while himself an unimportant

(Continued on page 6, col. 3)

Hunt Costello Suspect No. 1

(Continued from page 3)

underworld figure, he has been an intimate of some top gangsters, particularly Anthony (Tony Bender) Strollo.

Significantly, it was said, Gigante is a hero-worshiper of gang big brass. This would indicate that if he dared to peg a shot at Costello, he was not, as Costello claimed, just "a young punk trying to make a name for himself"—but a gunman acting on higher orders.

Witnesses Are Guarded

Police sources disclosed that probably more wiretaps have been used in the investigation than in any other recent case and that witnesses to the shooting are all under heavy bodyguard.

Gigante's police record follows: March, 1945, criminally receiving stolen goods, discharged; November, 1947, auto theft and auto arson, pleaded guilty to malicious mischief, probation; March, 1950, conspiracy to distribute basketball betting cards among students, 60 days in workhouse; September, 1951, Sullivan Law violation, discharged; January, 1953, two arrests for dice playing, $1 fine and discharge; February, 1953, bookmaking, $75 fine.

Costello Shooting Suspect Named— A Small-Time Bookie Who's Missing

CLIPPING FROM THE
N. Y. N.Y. POST
DATED JUL 17 1957
FORWARDED BY N. Y. DIVISIC
P. 3 NIGHT EXTRA

RE: FRANK COSTELLO (C
TOP HOODLUM COVEI
RESEARCH MATTERS

BUFILE 94-

INDEXED - 25 62-76571-A
NOT RECORDED
126 JUL 26 1957

57 JUL 31 1957



Frank Costello, his wounded head bandaged, tells reporters after the shooting that his assailant must have been "some punk" out to make a name for himself.

By ARTHUR ROSENFELD and ALFRED E. ARANOWITZ

Police today are seeking a small-time gambler named Vincent Gigante for the shooting of Frank Costello.

A wanted card, bearing the photograph and criminal record of the suspect, says:

"Wanted by Detective Brodkin, Manhattan West Detective Bureau, for felonious assault which occurred on May 2, 1957. Complainant: Frank Costello, 115 Central Park West."

Gigante, 30, lives at 134 Bleeker St., but hasn't been home since May 15, two weeks after the shooting. He was described as a six-footer, weighing 230. He has black hair and brown eyes.

Shortly after Costello was shot, detectives described his would-be assassin as a heavy man with a pot-belly who waddled as he walked. They guessed his height at foot, his weight at from 235 to 245, and his hair as slick black.

Detectives reportedly have been to Gigante's home several times, but his father, Salvatore, denied it.

"They have never been here," he told The Post. "And we don't know where he is. I last saw my son May 15. That was the last time he was here. You people know what I know."

The fact that Costello was listed as the complainant on the police wanted card is only a technicality. It does not indicate that Costello tipped off the gunman's identity, detectvies were quick to point out.

Costello, who has been accused by police of failing to tell all he knows about the shooting, would not answer any questions about Gigante today.

"Look," he whispered hoarsely in his familiar, raspy voice. "I don't want to be discourteous, but I can't make any comment."

Deputy Police Commissioner Arm earlier today said that Giante, who has a police record and also is known as "Chin," was being sought in connection with Costello investigation.

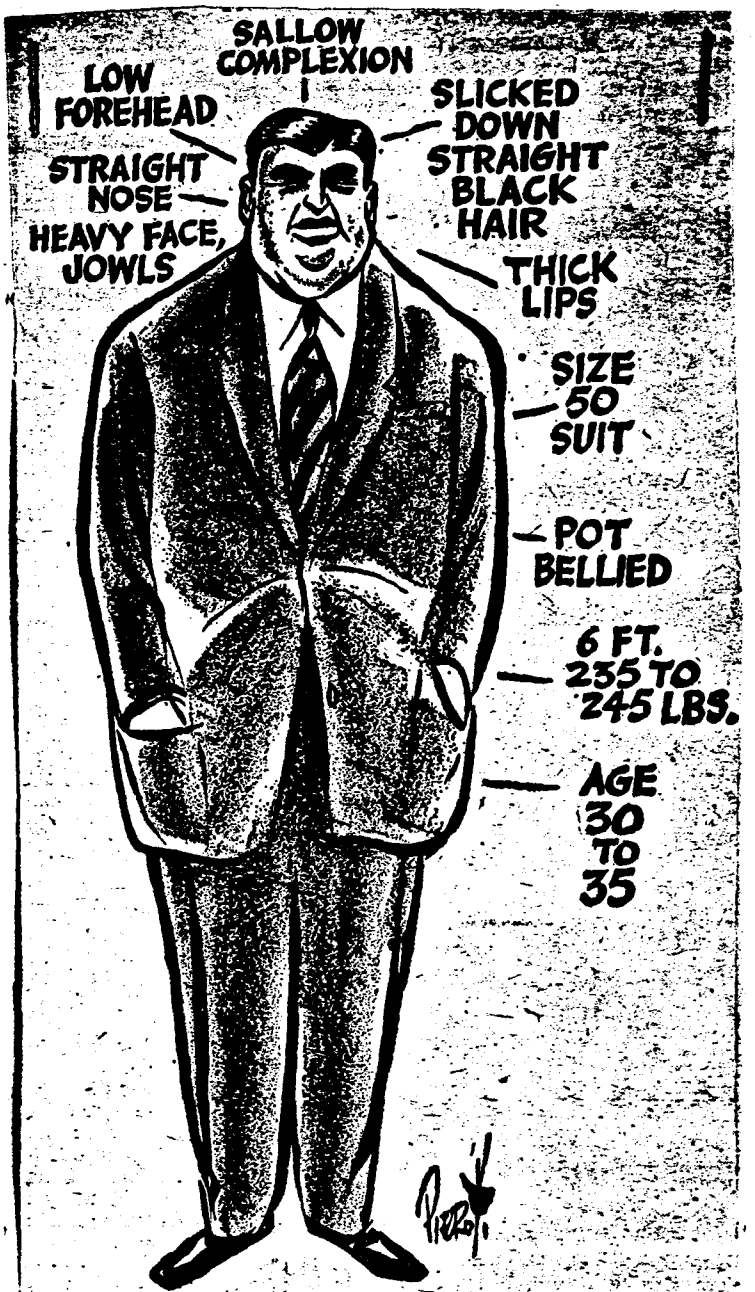
Arm, however, would not comment on why Gigante was sought.

Costello was slightly wounded May 2 when a gunman followed him into the lobby of the Majestic Apartments, 115 Central Park West, where he lives, and fired one bullet which creased the gambler's skull. The would-be assassin escaped.

Records at police headquarters indicated that no "flyer" has been made up for Gigante and no teletype alarm has been sent out for him.

However, on June 5 a "49," a typewritten statement that Gigante was wanted by Manhattan West detectives for questioning in connection with a felonious assault with a gun on May 2, was distributed to detective squads

Continued on Page 50



This is an artist's sketch of Costello's assailant, drawn from the official police description made public May 7.

Detectives say that Costello would never put the finger on his intended assassin, but it was he who gave the most logical explanation for the shooting.

Described Assassin as 'Punk'

It was probably some "punk" trying to get a reputation by bumping him off, he said at the time.

Police describe Gigante as a small time hoodlum.

Another police theory is that the gunman bore a grudge against Costello for some reason—perhaps, they say, Costello prevented him from rising in the underworld.

Another possibility, it was said, is that other underwold leaders hired the gunman. Their reasons for doing so are limitless. Costello, reputed to be the top underworld figure in the country, is said to have any number of deals, connections, and projects under way which could raise the ire of other gangland chiefs.

"Nice Guy" to Neighbors

In the apartment house where Gigante's family moved only a year ago, neighbors described him as "a nice guy," even though they don't see much of them.

His father exploded with angry words when he learned that his son had been accused as a suspect in the shooting.

"What?" he shouted. "They better not say that about my son. I don't even know what you're talking about. What you're telling me is making me nervous."

Gigante said he has no idea where his son may be.

There are some detectives who fear, however, that Gigante may have been killed.

throughout the city. Gigante's picture was attached.

The "49" is distributed, and no "flyer" is made up or teletype alarm sent out, when a suspect is believed to be in the city, police sources said.

Gigante has a record of seven arrests since 1945, when, as an already paunchy youth of 18, he was picked up on a charge of receiving stolen goods.

He was later freed on the charge but was arrested in 1947 on a complaint of stealing a car and setting fire to it. When he pleaded guilty to a lesser charge of malicious mischief, he got off with probation.

Linked to Bookie Ring

In 1950, Gigante was one of several men arrested in a bookmaking conspiracy which stretched to St. Louis and Minneapolis to peddle basketball betting and football pool cards to college students.

Gigante specifically was accused of supplying the cards to Michael Di Tomasso, a Brooklyn College basketball player who had been his neighbor on Thompson St., when he lived there. Gigante received a 60-day sentence.

In 1951 he was arrested for possession of a dangerous weapon and the charge was dismissed. In 1953 he was arrested for shooting dice and was fined $1. Several days later he was picked up in another crap game but this time won a dismissal. His last arrest was in February, 1953, when he was fined $75 on a bookmaking charge.

0-16 (Rev. 9-7-56)

Police Don't Question 2 On Costello

Names Found In His Pocket

By Joel Seldin 2-1

Despite a full-scale investigation by police and the District Attorney's office of the attempted murder of gambler Frank Costello, two men whose names and telephone numbers were noted on a slip of paper found in the racketeer's pocket the night he was shot were never questioned by police, it became known yesterday.

Costello was wounded slightly May 2, but Alvin L. Weil, secretary of the Roosevelt Raceway, Inc., did not learn that his name and home phone number were in the racketeer's pocket until Mr. Weil was questioned late last week by a newspaper which had obtained photostatic copies of Costello's papers, he said yesterday.

Ex-Jail Guard

Another name that appeared in the photostats was that of S. F. Oshinsky, of 113-08 210th St., St. Albans, Queens, former lieutenant of guards at the Federal House of Detention, 427 West St. Mr. Oshinsky, who retired April 1 after twenty-four years of service, was not at home yesterday but his wife said he had not been questioned, either.

Both men have had casual contact, at least, with Costello in the past. Mr. Oshinsky was on duty at the Federal House of Detention during sixteen months that Costello spent there in the course of the government's income-tax case against him, in which he was sentenced to five years in prison. Mr. Weil was an official of the racing group in 1953 when it was investigated by the state for possible connections with the underworld.

Deputy Chief Inspector Edward W. Byrnes, who headed the Costello investigation for the police, declined to comment yesterday on the validity of the photostats or their possible significance in the case.

Evidence Compared

District Attorney Frank S. Hogan implied the photostats were authentic when he told reporters his office had "no probative interest" in the possible relations of Costello with Mr. Weil and Mr. Oshinski. His office, he said, was concerned only with evidence that might lead to the person who had attempted the assassination. If there was "any violation" in Mr. Oshinski's case, Mr. Hogan said, "it's a Federal matter."

At the House of Detention, an official said he knew of no investigation in progress with regard to Mr. Oshinski or of any request by the Federal Bureau of Prisons for information, indicating that the Federal agency may not have been informed of the Costello papers, either.

When Costello was taken to Roosevelt Hospital on the night of the shooting, papers in his pockets were removed and photostated by police while the gambler was being treated. The papers were returned to his pocket. On May 7, whe nhe appeared before a grand jury, one of the papers, which listed "casino wins" of $654,284, was produced. It seemed to link the gambler with Las Vegas, Nev., gambling casino.

Refused to Answer

Costello refused to answer any questions about the paper and was sentenced to thirty days for contempt of court. He was later freed on bail after serving half the term.

When Chief Assistant District Attorney Alfred J. Scotti took Costello before Judge Jacob Gould Schurman for refusing to talk, the prosecutor told the judge there were items in the "casino" paper that Costello had not been questioned about because they did not seem "relevant." He did not mention the existence of other papers.

An official in District Attorney Hogan's office, who declined to be named, said yesterday a discussion not to question the two men was one of strategy, and that in the opinion of experienced investigators the idea of questioning them did not give the promise of being "productive." It seemed that more would be gained, he said, by pursuing the gambling angle.

He also said that Mr. Hogan's office has, among its other powers, the "power to annoy," and does not wish to abuse its rights. "We have to be fair," he said. "You can destroy people's reputations. We don't call people down where there is no indicated relevancy."

In Barber Shop

Mr. Weil said his last direct contact with Costello was eighteen or twenty years ago as a law clerk for George Morton Levy, once Costello's lawyer. The last time he "said hello" to the racketeer, Mr. Weil said, was eighteen months ago in the barber shop of the Waldorf-Astoria.

Mr. Oshinsky, whose telephone number was unlisted except for a register kept at the prison, said he assumed Costello had got the number through some inmate-clerk at the House of Detention. "The only time I did anything for him, and it has been done for other prisoners, was to allow him to call his wife for a change of clothing for a court appearance," he said.

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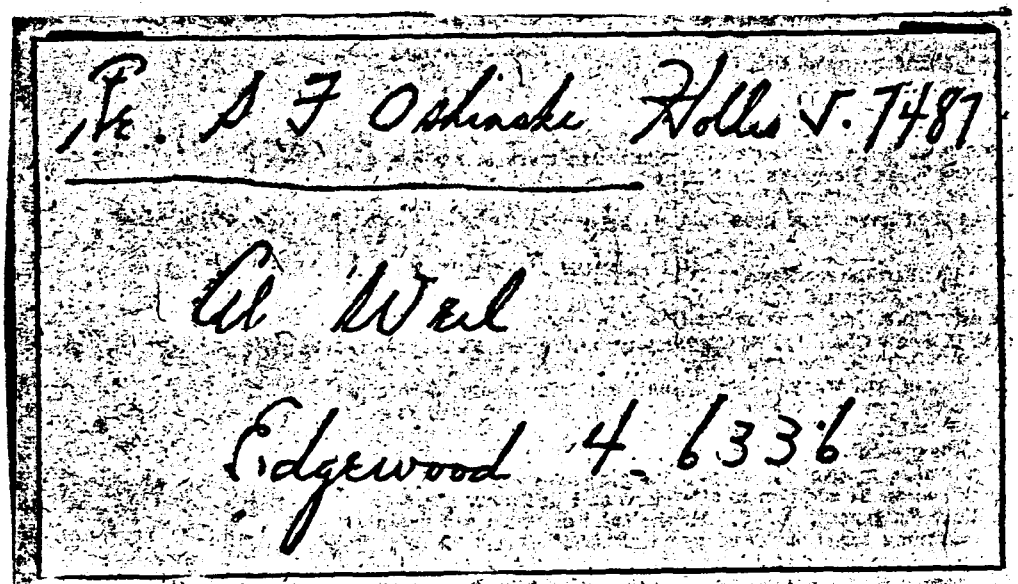
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Daily Worker
The Worker
New Leader

Date JUL 9 1957

62-16543-A
NOT RECORDED
44 JUL 10 1957

57 JUL 12 1957



FOUND ON COSTELLO—Photostat of one of the slips of paper found on Frank Costello the night he was shot. On it are the names and phone numbers of S. F. Oshinsky, a former guard at the Federal House of Detention, and Alvin L. Weil, secretary of Roosevelt Raceway Inc. Neither has been questioned by authorities.

0-19 (Rev. 9-7-56)

DA Bored by Costello's List

District Attorney Hogan declared yesterday that his office had "no interest" in a report that the name and unlisted phone number of a former federal prison officer were found in gambler Frank Costello's pockets when a gunman tried to rub him out the night of May 2.

The listing read "S. F. Oshinski, Hollis 5-7487." Oshinski is a retired lieutenant of guards at the Federal House of Detention. He was still on active duty when Costello did time there for income tax evasion.

"We don't know how he came on that," Hogan said. Then the prosecutor added that "It's a federal matter if there's any violation."

Oshinski Doesn't Know

At his home at 113-08 210th St., St. Albans, Queens, Oshinski said he had "no idea why Costello should have a notation of my name and phone. While he was at the House of Detention I had only routine contact with him; I did no more for him than I did for any other prisoner.

"The only time I did anything for him—and it has been done for other prisoners — was to allow him to call his wife for a change of clothing for a court appearance. To me he was just another prisoner."

Four other names and phone numbers were on Costello's person when his head was creased by a slug in the lobby of his Central Park West apartment house. One was that of Alvin Weil, secretary of Roosevelt Raceway.

Weil, Cumiskey Don't Know

Weil was puzzled over his listing. He said: "I was formerly associated with George Morton Levy, who handled Costello's affairs some years ago, but I haven't seen the man in more than a year and a half. It's a mystery to me why he should have my phone number."

Postmaster Walter Cumiskey, of Port Washington, L. I., could not explain, either, why his name was in the mobster's pocket.

"The only reason I can give is that he may have wanted to check on his summer mailing address and intended to see me about it," Cumiskey said.

Costello has a swank place in Sands Point, which is in the Port Washington postal district.

A fourth listing was for "J. Curt," who was unidentified. The fifth was "Me 8-0243 ... Ed." This was believed to be the private Washington office phone of Costello's lawyer, Edward Bennett Williams.

Police Commissioner Kennedy had "no comment."

"The matter is now being investigated by the district attorney and the grand jury," he said.

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Tele. Room
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[redacted]

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Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News 10
N. Y. Times
Daily Worker
The Worker
New Leader

62-16543-A

Date JUL 9 1957

NOT RECORDED
44 JUL 10 1957

57 JUL 11 1957

TOP CLIPPING
DATED 6 26 57
FROM N.Y. JOURNAL AMERICAN
MARKED FILE AND INITIALED

As Pegler Sees It:

Costello Guilty Of Getting Shot

By WESTBROOK PEGLER

IN A RECENT chapter of Frank Costello's adventures in the jungles of our jurisprudence, this unfortunate victim of gossip, scandal and Estes Kefauver's absurd ambition got 30 days for contempt of a grand jury. He refused to give the grand jury information which was none of its business. The term was tentatively cut in half in a grudging and sulky admission by the State that the petty impatience of a public bureau, rather than an offense against law, might have been the actual reason for this ferocious abuse of a citizen who was clearly blameless in this matter. By clear implication the reduction means that the State admits that Costello may have been only half as guilty as the court had held in the first place. In other words, the court may have been 100 per cent wrong in giving him twice as much punishment as he deserved.

53 JUL 12 1957

...ails ... personal and business affairs to ...range ... in secrecy who may be his ...born ... should, who may include members ...ecret ... ties hostile to the victim, or kinfolk ...agents of business rivals? The ideal is not necessar... maintained by the membership of the present gra... jury. Citizenship is low and tawdry in all reach... of life and grand jurors, like trial jurors, inclu... political partisans, racial and religious bigots, a... cynics with no respect for the juror's oath, who ... pounce on a chance to exploit information wrung fr... a citizen, appearing without counsel, by a badgeri... county attorney.

In this case, Costello was the victim of a cri... which reflected no guilt on him, unless a man can... guilty of getting shot.

An Invasion of Privacy

Costello went to a hospital and while he was th... the cops went through his clothes and stole a cryp... memorandum. This was his property, and the Pol... Department violated Costello's privacy in handing... to the District Attorney. It is no crime to carry in... one's person a memorandum of disputable meani...

The District Attorney said an explanation mig... give the grand jury an idea who might have shot hi... but that was only a shot in the dark. It made lo... publicity against a man who has made monkeys of t... District Attorney's entire staff for 20 years, notwi... standing wire taps and unlimited manpower, arm... with police authority and guns, and augmented by st... pigeons.

The power to punish for contempt is outrageou... abused.

The same District Attorney "threw the book" ... Louis Saperstein, a racketeer in union "welfare" ins... ance, who got five years for refusing to answer qu... tions before a grand jury.

Five years is the term for homicide and arm... robbery in many States. It is an atrocious denial ... freedom to a citizen for a negative, non-violent offen... if offense it be merely to refuse to cooperate w... authorities enforcing laws against crime. And, unl... the sentences for manslaughter and other viol... crimes, the sentence for contempt can be reduced o... by the prisoner's decision to come clean. He may ha... to squeal on criminals who will kill him. Otherwi... he serves it all.

Saperstein came clean, went free and on March ... 1956, was shot four times in the head. He lived ... nobody ever has been punished for shooting him.

With that precedent and with some of the sa... characters involved on the side of the State, Coste... kept a still tongue in his head.

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N.Y. JOURNAL AMERICAN

62-76571-A
NOT RECORDED
138 JUL 10 1957
JUN 26 1957

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Mr. Tolson
Mr. Mitchell
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

As Pegler Sees It:

Costello Guilty
Of Getting Shot

By Westbrook Pegler

(NY Journal American, June 26)

In a recent chapter of Frank Costello's adventures in the jungles of our jurisprudence, this unfortunate victim of gossip, scandal and Estes Kefauver's absurd ambition got 30 days for contempt of a grand jury.

Is it a crime to refuse to tell the most intimate details of one's personal and business affairs to 24 strangers? The ideal is not necessa maintained by the membership of the present grand jury. Citizenship is and tawrdy in all reaches of life and grand jurors include political par racial and religious bigots and cynics with no respect for the juror's o who will pounce on a chance to exploit information wrung from a citizen, appearing without counsel, by a badgering county attorney. In this case, Costello was the victim of a crime which reflected no guilt on him, unles man can be guilty of getting shot.

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NOT RECORDED
138 JUL 10 1957

The District Attorney once "threw the book" at Louis Saperstein, a racketeer in union "welfare" insurance, who got five years for refusing t answer questions before a grand jury. Five years is the term for homicid and armed robbery in many states. Unlike these violent crimes, the sente for contempt can be reduced only by the prisoner's decision to come clean. Saperstein came clean, went free and was shot four times in the head. He lived. But with that precedent and with some of the same characters invol on the side of the State, Costello kept a still tongue in his head.

53 JUL 12 1957

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Mr. Tolson
Mr. Nichols
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

62-76543-A2
NOT RECORDED
126 JUL 3 1957

JUN 15 1957
N. Y. TIMES

3 P

57 JUL 5 1957

...ttorney Is Also Ho... ...Trial Is Put Fi...

By EDWARD RANZAL...

The Department of Ju... said yesterday it would r... delay Frank Costello's retu... prison than delay the tri... James R. Hoffa, powerful ... west teamster boss.

The Government's dile... arose from the fact that Ed... Bennett Williams is attorney for both men. So anxious was the Justice Department to have Mr. Williams return to Washington to defend Hoffa that it consented to Costello's remaining free in $25,000 bail.

On Thursday Federal Judge John F. X. McGohey began a hearing to set aside Costello's income tax evasion conviction. Mr. Williams contended that the Government's evidence "in the 1954 tax trial was obtained illegally through the use of wiretaps. Assistant United States Attorney Arthur H. Christy said that no Federal agent had participated in any wiretapping.

Costello, who was sentenced to five years, was released in bail recently after serving more than a year. Mr. Williams had gone to the United States Supreme Court with the proposition that the gambler could not have been sentenced to more than a year. The Supreme Court ... [illegible] ... pending the return of the high court's mandate to the lower court. Normally he would be remanded to prison to serve out his term when the order is received.

Hoffa Trial Monday

Meanwhile, in Washington yesterday Judge Burnita S. Matthews set Monday for the trial of Hoffa and a co-defendant, Hyman I. Fischbach, Miami lawyer. They are charged with conspiracy, attempted bribery and obstructing the operations of the Senate rackets committee by planting a spy in its midst.

Judge McGohey was advised of the Monday trial date. Mr. Christy asked that the Costello matter be adjourned until Monday. He said Mr. Williams ... [illegible] ... wished to be present when the Government argued the Hoffa motion.

"It seems to me that the Department of Justice must make up its mind whether to have Mr. Williams in Washington or New York," Judge McGohey said.

Mr. Williams explained that he would ask Judge Matthews for an adjournment to prepare the Hoffa ... he would ... weeks.

...tha... Hof... Costello matter ... to the fall term. If the trial is put over until aft... 28, the Costello matter resume.

Mr. Christy said the Gover... ment would stay the Supreme Court's mandate and permit the gambler to remain free until Judge McGohey had rendered a decision. Mr. Williams indicated that the Costello matter would go over until the fall. The 65-year-old gambler appeared content with Mr. Williams' forecast.

Tap Not Linked to Costello

Earlier, William Grafenecker, a retired police captain who formerly headed city detectives assigned to District Attorney Frank S. Hogan, was cross-examined by Mr. Christy.

On Thursday Mr. Grafenecker testified that the District Attorney's office had tapped the telephone of George Wolf, one of Costello's attorneys, in 1936 and 1937 to get conversations of the gambler.

Mr. Grafenecker admitted to Mr. Christy that the taps were placed on Mr. Wolf's office telephone for a different reason and that it had nothing to do with Costello.

Mr. Grafenecker had testified that Mr. Hogan's office had tapped Costello's home telephone from 1944 through 1954. He said that one of the taps concerned a conversation by Costello about a family mausoleum.

"What brings that particular conversation to mind?" Mr. Christy asked.

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Denies Delay for Hoffa

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It was agreed that the matter might be ... during the ... conference ...

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Kastel Dummies May Lose License

Nevada Gaming Board Indicates Costello's Pal Is Casino Owner

Dandy Phil Kastel, a long-time Frank Costello lieutenant, is an owner of the new Tropicana Hotel and its gaudy casino in Las Vegas through fronts or dummies, the chairman of the Nevada Gaming Control Board indicated yesterday.

As a result, it is expected that the three-member board will recommend to the Nevada Tax Commission, which issues gambling licenses, that the licenses of those suspected of acting for Kastel be revoked summarily.

Report Friday

The board is to make a report on its investigation to the commission on Friday in Carson City, at its monthly meeting. The inquiry stemmed from the attempted assassination of Costello here the night of May 2, when a slip of paper, listing "gross casino wins" of $651,284 was found on the racketeer.

Rather than answer any question about that financial memorandum, Costello stood in contempt of court and was sentenced to thirty days in jail. He was released on bail pending appeal after serving fifteen days. District Attorney Frank S. Hogan's office took the view that the slip of paper might provide a motive for the attempted murder.

Consequently, Mr. Hogan sent two aids to Las Vegas, and they soon discovered that the $651,284 was exactly the figure that the Tropicana casino won in the first twenty-four days of operation, beginning April 3 and ending April 26. That jibed with the date on the Costello memorandum, which listed the winnings as of "4—26—57."

Probe Begun at Once

Immediately, the three-man Nevada Gaming Control Board began an investigation. Its chairman is Robbins Cahill. The other two members are William Sinnott, a former F. B. I. agent, and William Gallagher. Mr. Cahill is also secretary of the seven-member Nevada Tax Commission, of which Gov. Charles H. Russell is chairman.

Reached by telephone in Carson City, Mr. Cahill was, at first, most circumspect, saying only that the board's report—"we're still working on it"—will be filed with the commission on Friday.

"Kastel and his wife left Las Vegas only last Friday," Mr. Cahill noted.

"Have you found that several persons have been fronting for Dandy Phil as stockholders at the Tropicana casino?" Mr. Cahill was asked.

"I don't know if I'd want to give any number."

"You mean there is at least one?"

"Well, we wouldn't have been working so long without coming up with something, would we?"

Mr. Cahill said that there are "about thirty" stockholders of the Tropicana and pointed out that each one gets a gambling license. No ex-convicts are eligible for a license, nor are any of their nominees eligible. It was recalled that during the two years it took to build the Tropicana and the casino Kastel, an ex-convict, was on the ground daily—until it became an open secret that he was interested in the $15,000,000 project.

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4 in Costello Memo Linked To Swank Las Vegas Casino

Special to the N. Y. Journal-American

LAS VEGAS, June 15.—The identities of four persons noted in the memorandum found in the pockets of racketeer Frank Costello after he was shot May 2 in New York City were believed known here today.

Police declared privately they were convinced the nicknames and initials in the memo referred to present or former employes of the $15,000,000 Tropicana Hotel.

The Tropicana, most lavish gambling casino here, faces revocation of its license if it can be shown Costello had or has a financial interest.

'MIKE' IDENTIFIED

Both New York City Police Commr. Stephen Kenndy and the office of District Atty. Frank Hogan last week said the mysterious "casino" memorandum definitely linked Costello with the Tropicana.

Official sources here said, in their opinion, a notation referring to a "Mike" means Mike Temico, who formerly worked in the Tropicana's cashier cage.

Another name, "Jake," was said to probably be Jake Ellinson, alleged "front man" for Costello.

"L" mentioned in the memorandum is reported to be Lewis Lederer, general manager of the Tropicana.

"H" noted in the memo is alleged to refer to J. Kell Houssels, manager of the hotel's gambling casino.

Key information in the memo cited "gross casino wins of $651,284 as of 4-26-57." New York police declared this sum exactly matched the "take" at the Tropicana gambling tables in the 24-day period ending April 26.

Costello defied a grand jury and chose to serve 15 days of a 30-day contempt citation rather than discuss the memo.

Under Nevada law, no known racketeer can have a gambling license. The State Gaming Control Board is to meet June 28 to consider the case.

"Dandy" Phil Kastel, another notorious racketeer and Costello associate, was an original financial backer of the Tropicana.

Because of this, the license of the gambling casino was withheld about a year and was issued only last April after it was reported Kastel was withdrawing.

Mrs. Kastel at present is living in a suite at the Tropicana.

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COSTELLO'S CASE DELAYED BY U.S.

His Attorney Is Also Hoffa's, Whose Trial Is Put First

By EDWARD RANZAL

The Department of Justice said yesterday it would rather delay Frank Costello's return to prison than delay the trial of James R. Hoffa, powerful Midwest teamster boss.

The Government's dilemma arose from the fact that Edward Bennett Williams is attorney for both men. So anxious was the Justice Department to have Mr. Williams return to Washington to defend Hoffa that it consented to Costello's remaining free in $25,000 bail.

On Thursday Federal Judge John F. X. McGohey began a hearing to set aside Costello's income tax evasion conviction. Mr. Williams contended that the Government's evidence in the 1954 tax trial was obtained illegally through the use of wiretaps. Assistant United States Attorney Arthur H. Christy said that no Federal agent had participated in any wiretapping.

Costello, who was sentenced to five years, was released in bail recently after serving more than a year. Mr. Williams had gone to the United States Supreme Court with the proposition that the gambler could not have been sentenced to more than a year. The Supreme Court ruled against him.

Costello has remained free

free
6-Jun

CLIPPING FROM THE
N.Y. Times
N. Y.

DATED 6/15/57
FORWARDED BY N. Y. DIVISION

RE: FRANK COSTELLO
(GIIF) TOP HOODLU
COVERAGE
RESEARCH MATTERS

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COSTELLO'S CASE DELAYED BY U. S.

Continued From Page 1

pending the return of the high court's mandate to the lower court. Normally he would be remanded to prison to serve out his term when the order is received.

Hoffa Trial Monday

Meanwhile, in Washington yesterday Judge Burnita S. Matthews set Monday for the trial of Hoffa and a co-defendant, Hyman I. Fischbach, Miami lawyer. They are charged with conspiracy, attempted bribery and obstructing the operations of the Senate rackets committee by planting a spy in its midst.

Judge McGohey was advised of the Monday trial date. Mr. Christy asked that the Costello matter be adjourned until Wednesday. He said the Justice Department wished to give precedence to the Hoffa matter.

"It seems to me that the Department of Justice must make up its mind whether to have Mr. Williams in Washington or New York," Judge McGohey said.

Mr. Williams explained that he would ask Judge Matthews for an adjournment to prepare the Hoffa defense. He said he would require two or three weeks.

Judge McGohey finally ruled that if Mr. Williams started the Hoffa trial before June 28 the Costello matter would go over to the fall term. If the Hoffa trial is put over until after June 28, the Costello matter will resume.

Mr. Christy said the Government would stay the Supreme Court's mandate and permit the gambler to remain free until Judge McGohey had rendered a decision. Mr. Williams indicated that the Costello matter would go over until the fall. The 65-year-old gambler appeared content with Mr. Williams' forecast.

Tap Not Linked to Costello

Earlier, William Grafenecker, a retired police captain who formerly headed city detectives assigned to District Attorney Frank S. Hogan, was cross-examined by Mr. Christy.

On Thursday Mr. Grafenecker testified that the District Attorney's office had tapped the telephone of George Wolf, one of Costello's attorneys, in 1936 and 1937 to get conversations of the gambler.

Mr. Grafenecker admitted to Mr. Christy that the taps were placed on Mr. Wolf's office telephone for a different reason and that it had nothing to do with Costello.

Mr. Grafenecker had testified that Mr. Hogan's office had tapped Costello's home telephone from 1944 through 1954. He said that one of the taps concerned a conversation by Costello about a family mausoleum.

"What brings that particular conversation to mind?" Mr. Christy asked.

"I remember talking to one of the detectives who was on the plant," Mr. Grafenecker explained. "He said something about Costello being cheap and not paying his bills."

Judge McGohey took under advisement a move by Mr. Williams to have all Costello's tapped telephone conversations made by Mr. Hogan's office turned over to the defense.

Denies Delay for Hoffa

In Washington, Judge Matthews rejected motions seeking to delay Hoffa's trial. At one point, Judge Matthews agreed to the continuance of the trial until July 15. But she changed her mind and refused any post-

[illegible] when the Government said Mr. Williams might not be available at that time.

The arguments on whether the trial should be adjourned brought bitter exchanges between Assistant United States Attorney Edward P. Troxell and Daniel E. Maher, attorney for Fischbach, Hoffa's co-defendant. Shutting off the long debate, Judge Matthews said:

"There is nothing new in this motion for continuance at all. The date has been determined to be June 17."

The defense raised the issue that it could not get a fair trial at this time because of the assertedly hostile atmosphere created by the Senate investigation of the International Brotherhood of Teamsters.

It was agreed that the matter might be raised again during the questioning of prospective jurors.

0-19 (Rev. 9-7-56)

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Hearing on Costello Off

The Federal Court hearing into gambler Frank Costello's petition to set aside his 1954 income tax conviction was adjourned—possibly until fall—here yesterday.

Edward Bennett Williams, lawyer for both Costello and Teamsters Union Vice President James R. Hoffa, was caught between two cases—Hoffa's trial on a conspiracy-bribery indictment in Washington and the Costello hearing here.

While an associate in Washington tried and failed to win a postponement of the Hoffa trial, scheduled to start Monday, Williams unsuccessfully opposed an adjournment motion put here by Assistant U. S. Attorney Arthur H. Christy.

One at a Time

Christy informed Judge John F. X. McGohey that officials in Washington were willing to allow Costello to remain free in bail while the government tries Hoffa.

In granting an adjournment, McGohey instructed Williams to notify him, through Christy, of any change in the Hoffa trial schedule.

Before the postponement, Costello attacked a government "mail watch" against him preparatory to the tax evasion charges.

Until yesterday, the major ground advanced for voiding the conviction was the contention that the federal evidence was based on illegal wiretaps.

The only witness at yesterday's session was William Grafenecker, former head of the detective detail in District Attorney Frank Hogan's office.

Under cross-examination, Grafenecker said a tap was placed on Costello's home phone in 1943 and was maintained for periods until 1948 or 1949. He denied that any Treasury agent had ever asked ~~him to~~ tap the gambler's telephone.

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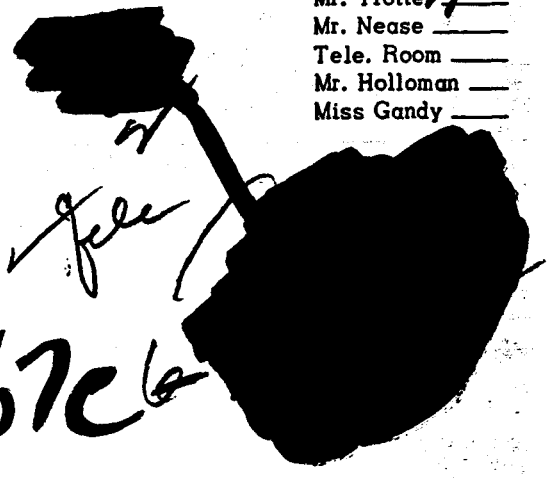
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(NEWS foto by Nick Petersen)

Frank Costello smiles as he leaves court with his attorney, Edward Bennett Williams (left), after Costello's hearing was put off yesterday.

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Mr. Nichols
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy



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(COSTELLO)

THE GOVERNMENT GRANTED RACKETEER FRANK COSTELLO WHAT MAY BE SEVERAL MONTHS MORE FREEDOM TODAY BECAUSE IT'S MORE EASY TO TRY TEAMSTER UNION OFFICIAL JAMES R. HOFFA THAN TO SEND COSTELLO BACK TO JAIL.

HEARING ON COSTELLO'S LATEST MOVE TO SET ASIDE HIS INCOME TAX EVASION CONVICTION WAS ADJOURNED TODAY TO AT LEAST JUNE 19 BECAUSE HIS ATTORNEY, EDWARD BENNETT WILLIAMS, MUST REPRESENT HOFFA IN A BRIBERY CASE WHICH IS SCHEDULED FOR TRIAL IN WASHINGTON MONDAY.

THE GOVERNMENT ASKED THE ADJOURNMENT, INDICATING THE HOFFA TRIAL HAD PRIORITY.

FEDERAL JUDGE JOHN F.X. MCGOHEY AGREED TO CONTINUE COSTELLO IN $25,000 BAIL PENDING DECISION ON HIS MOTION TO SET ASIDE THE CONVICTION. COSTELLO HAD BEEN SCHEDULED TO GO TO PRISON ON THE ARRIVAL HERE OF A SUPREME COURT MANDATE WHICH TURNED DOWN AN EARLIER APPEAL AGAINST THE LENGTH OF HIS SENTENCE.

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WASHINGTON CITY NEWS SERVICE

Mr. Tolson
Mr. [illegible]
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

Costello Lawyer
In Police Wiretap

By Edward Ranzal

(NY Times, June 14)

67C

Wide use of wiretaps and close cooperation between Federal and state agencies to get evidence against Frank Costello were detailed yesterday in Federal Court.

The testimony was given at a hearing before Judge John F.X. McGohey on motion to set aside the gambler's 1954 income tax evasion conviction. The defense contends that the Government's evidence was based on information obtained by wiretaps. Evidence obtained by wiretaps has been held illegal under Federal law, although Judge H.R. Medina of the U.S. Court of Appeals held that if a Federal officer did not take part in the taps the evidence obtained was admissible. William Grafenecker, who formerly headed the detectives assigned to District Attorney Hogan's office was called as a witness for Costello. Under questioning by Costello's attorney, E.B. Will: Grafenecker said that Hogan's office had maintained wiretaps on Costello's home phones from 1943 to 1954. Grafeneckers testified that the D.A.'s file on Costello, including wiretap reports, were made available to the Bureau of Internal Revenue.

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Grafenecker said that the city police, to get evidence against the gambler, tapped the telephone wires of George Wolf, one of Costello's attorn in 1936 and 1937. William C. Dodge was District Attorney then. Grafenecke said that two detectives from his staff were assigned to the income tax bureau for several years. A complete record of all the Costello wiretaps w made available to the Senate Crime Investigating Committee before it questioned the gambler in 1951, he added.

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Mrs. Kastel at Vegas Casino

She Supervised Furnishings; Stockholders Quizzed

By Milton Lewis

Dandy Phil Kastel's wife was at the new Tropicana Hotel in Las Vegas, Nev., yesterday, possibly to "mind the store" for her husband and his long-time gambling crony, Frank Costello.

Mrs. Margaret Kastel, described as considerably younger than Dandy Phil, who is in his sixties, had supervised the furnishing and decorating of the $15,000,000 hotel and its equally resplendent casino, which opened its doors only last April 3.

There for a Week

The Kastels usually maintain a suite at the Roosevelt Hotel in New Orleans, but it was learned that Mrs. Kastel has been at the Tropicana for the last week. Attempts to reach her by telephone in Las Vegas brought the report that she was out with Theodore M. Schimberg, listed as president of the hotel.

On Wednesday The Associated Press quoted him as saying that the hotel's board of directors categorically denied that Frank Costello ever had, or now has, any interest whatsoever in the Hotel Tropicana."

It was established earlier this week that the memorandum found on Costello the night he was shot here six weeks ago listed figures identical with the winnings of the casino during its first twenty-four days of operation. The Costello slip showed "gross casino wins" of $651,284 as of "4-26-57," and that is the casino's take to the dolar for the first twenty-four days of operation ending April 26.

Stockholders Questioned

William Sinnott, a member of the three-man Nevada Gaming Control Board and a former F. B. I. agent, said yesterday when reached by telephone in Las Vegas that the board had already questioned about seven of the Tropicana's twenty-six stockholders. They are trying to learn if either Costello or Kastel still has an "undisclosed interest in the place."

"Have you uncovered any evidence to that effect?" Mr. Sinnott was asked.

"I'm not in a position to answer," he said, noting that the board will have completed its investigation by June 28, when it will make a report to the Nevada State Tax Commission. The board and the commission decide jointly whether a gambling license should be lifted. Each stockholder has such a license.

Mr. Sinnott recalled that Kastel "was right on the scene" during the two years it took to build the Tropicana and that his interest was no secret. But it was made plain in February to Kastel, Mr. Sinnott said, that he could never get a gambling license. He is an ex-convict.

Costello was evidently most curious to get an interim report on how the casino was doing based on the "4-26-'57" memorandum. Under Nevada law, the casino must file its winnings—which are taxable at 5 per cent—with the state quarterly.



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Tax Agents Sift Costello Casino Link

Testimony Resumes In Racketeer's Bid To Void Conviction

Internal Revenue agents today sought new evidence of income tax evasion against Frank Costello, 66, as the racketeer fought to set aside his conviction in a previous tax case.

Testimony was resumed this morning in Federal Court on Costello's move to set aside his 1954 income tax evasion conviction. The defense contends that the government's case was based on a 20-year collection of illegal wiretaps.

Meanwhile, revenue sleuths are working with local and Nevada authorities in an investigation of Costello's interest in the gambling casino of the $15 million Tropicana Hotel in Las Vegas and in other gambling operations there.

Stockholders Quiz.

The Nevada Gaming Control Board plans to question all 26 Tropicana stockholders to determine if Costello or his partner Dandy Phil Kastel controls the gambling tables there. Kastel's interest in the Tropicana was no secret. He was on the scene constantly while the luxury hotel was being built, and his wife later supervised furnishing and decorating of both the hotel and its casino.

Because he is an ex-convict, Kastel was denied a gambling license. He then disassociated himself with the hotel, but Mrs. Kastel has been staying at the Tropicana for the past week. It is believed the Costello-Kastel combine has continued to run the gambling there and in other Las Vegas casinos.

A note found in Costello's pocket after he was shot on May 2 listed "gross casino wins" of $651,234 "as of 4/26/57." This was the exact total of the Tropicana casino's gross wins in the first 24 days of operations—up to April 26.

Former city and federal sleuths were defense witnesses yesterday at Costello's tax case hearing before Federal Judge John F. X. McGohey.

Phone Tapped.

William Grafenecker, former commander of dectectives assigned to District Attorney Frank S. Hogan, testified that city police tapped the phone of George Wolf, one of Costello's lawyers, 20 years ago to get evidence against the rackets boss. He said Costello's home phone at 115 Central Park West was tapped almost constantly from 1943.

Mr. Grafenecker said the district attorney's files on Costello, were made available to the Internal Revenue Bureau.

William J. Mellon, retired Treasury Dept. agent, testified that he was sent to New Orleans in 1937 to gather evidence against Costello and Kastel. He said he tapped their phones in the Roosevelt Hotel there.

Though wiretap evidence has been held illegal under federal law, Judge Harold R. Medina of the United States Court of Appeals held recently that evidence obtained by local law enforcement officers is admissible if federal sleuths did not participate in the taps.

State law permits use of wiretaps by prosecutors, provided they first obtain a State Supreme Court order.

file

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CLIPPING FROM THE

N. Y. N.Y. WORLD TELEGRAM & SUN

DATED JUN 14 1957

FORWARDED BY N. Y. DIVISION

P.19 NIGHT

RE: FRANK COSTELLO
(GIIF) TOP HOODLUM
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Bail to Spring Costello From Workhouse

Release Ordered Pending Appeal Of Contempt Rap

Frank Costello will be released on bail from City Workhouse today pending appeal of his 30-day contempt sentence for refusing to tell a grand jury about a gambling memo found in his pocket after he was shot May 2.

Supreme Court Justice Edgar J. Nathan Jr. ruled yesterday the former mob leader is entitled to bail. The amount will be set this morning.

By the time he gets out, Costello will have served exactly half of his sentence. District Attorney Frank S. Hogan's office has indicated the 66-year-old racketeer will be brought before the grand jury again and asked the same questions. If he still hides behind the Fifth Amendment, he may face further contempt action.

Police are still hunting the fat, waddling gunman who creased Costello's scalp with a 38-caliber bullet. The note detectives found in Costello's pocket apparently was a weekly financial report from a gambling casino, probably in Las Vegas. It listed gross casino wins of $651,284, slot machine wins and IOUs.

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CLIPPING FROM THE

N. Y. N.Y. WORLD TELEGRAM & SUN

MAY 22 1957

P. 1 NIGHT

RE: FRANK COSTELLO
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How Police Developed Costello Shooting Clew

Here's what happens when New York City police receive a tip that may help solve a criminal case. The tip in this instance came from information passed on to authorities in the mysterious shooting of racketeer Frank Costello.

The situation developed from a contact by the New York Herald Tribune with a source professing to have significant information on the attempted assassination of Costello on May 2. Many tips of this nature are received by metropolitan newspapers.

Investigation revealed the possible credibility of the information because of known underworld connections mentioned.

The complete file was turned over to the police for the assistance it might give them in their investigation of a crime that still has them baffled.

Costello, the central figure in the case, is no help. Veteran detectives say "you might as well talk to the lamppost as turn to him for help."

The police were not hesitant in acknowledging the possibilities contained in the information offered. The Herald Tribune agreed to withhold publication of the information so as not to impede the investigation.

A plan evloved after careful deliberations in conferences of high police officials.

Suspects were placed under surveillance in 'round-the-clock "stakeouts." Afoot and in cars, detectives or plainclothes patrolmen, usually in teams of two working shifts of eight hours or longer, kept their quarries under watch.

Police "Tail" Breaks Off

Where the suspects encountered associates and departed in different directions, the police "tail" broke off, one man following the original suspect, the other trailing the associate to determine if the latter's conduct fitted into the case.

The "stakeout" blended with the particular atmosphere, arousing no suspicion.

The cross-cut youth in sport shirt, jacket and slacks, ambling along the street with a comic book stuck in his pocket was an expensive detective on the job. The burly man in laborer's clothes leaning against a building reading a newspaper was another in the "stakeout" team.

Records of where the sus-

Continued on page 20, column 7

(Continued from page one)

pects went, how long they were there, whom they met, what their business was, were kept in detail.

Records Checked

Other investigators scrutinized police records, checked known habits and past histories of suspects, obtained information on some from other law-enforcement agencies.

Finally, a co-ordinated plan of drawing the net from all points at the same time was carried out and the suspects taken to Manhattan West Detective Headquarters on 54th St. for questioning.

The police, naturally, hope for a maximum — enough evidence to close a case swiftly. Often they have to settle for the minimum—small pieces to file away and bring out later to try and fit into the big puzzle.

Meanwhile, the investigation continues.

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Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
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Mr. Holloman
Miss Gandy

These Days:

Frank Costello's
Piece of Paper

By George E. Sokolsky

(NY Journal American, May 19)

Crime exists in all big cities throughout the world and what is crime in one place is not crime in another, as the determination as to what is a crime is an act of legislation.

Frank Costello has become the stereotype of criminal activity of the present period. The probability is that public opinion is 10 or even 20 years behind the fact; that whatever Frank Costello has done, apart from income tax evasion and gambling, was committed so long ago that the statute of limitations has long since run. In the Lanza Case public officials placed a microphone in a cell and listened into the conversation of a prisoner and his counsel, an act that is clearly unconstitutional and against which all bar associations ought to protest. When law enforcement officers violate the law they are as guilty as the worst offender. It ought to be made clear who picked Costello's pocket and why. It is not important to defend Lanza or Costello; it is import to preserve constitutional rights.

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During the interrogation of Costello after he was shot at, the pol came into possession of a slip of paper which to them and other experts indicated that Costello was engaged in gambling. Because he would not explain to law officers or to a grand jury, he was arrested on the char of contempt of court. All of this is normal except the piece of paper his property and upon it the law-enforcement agencies can only act by d process. The punk who tried to kill Costello is either free or dead, but Costello is in jail for being shot at.

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THESE DAYS:

Frank Costello's Piece of Paper

By GEORGE E. SOKOLSKY

IT HAS been said that Frank Costello is to a degree, possibly to a startling degree, a creature of newspapermen, particularly those in New York who have attributed to him the wisdom of Solomon and the depravity of Bill Sikes. Well, everything can be attributed to newspapermen as it is to Frank Costello, but it may also be said that where there is smoke, there must be fire.

Crime exists in all big cities throughout the world and what is crime in one place is not crime in another, as the determination as to what is a crime is an act of legislation. For instance, in New York City it is a crime to gamble but not to speculate. Those who engage in bet-taking are criminals, but those who publish odds and provide tips for the bettors and the bettors themselves are not criminals. Or, to take another instance, it is lawful to ruin a man's business by surrounding it with a shouting, shrieking picket line but it is illegal to ruin his business by defaming his character or ridiculing his product.

Official Connivance

If all the laws on the statute books were vigorously enforced, it is probable that the people would rise up against the tyranny; on the other hand, crime flourishes best when public officials permit the criminals to move within certain margins. It is unquestionably true that no city is wide-open without official consent and connivance. It may also be that public opinion is apathetic and regards the law as an instrument of power rather than of social benefit.

Frank Costello has become the stereotype of criminal activity of the present period. The probability is that public opinion is 10 or even 20 years behind the fact; that whatever Frank Costello has done, apart from income tax evasion and gambling, was committed so long ago that the statute of limitations has long since run. At any rate, the law has come up only with income tax evasion which, while it is wrong is not unpopular, and contempt of court which in his particular instance does not move public opinion against him.

In the Lanza Case public officials placed a microphone in a cell and listened into the conversation of prisoner and his counsel, an act that is clearly unconstitutional and against which all bar associations ought to protest if they are not too timid to raise their voices in defense of the Constitution. When law enforcement officers violate the law they are as guilty as the worst offender and ought not to be protected. It ought to be made clear who picked Frank Costello's pocket and why. It is not important to defend Lanza or Costello; it is important to preserve constitutional rights.

Crime More Businesslike

Law enforcement grows increasingly more difficult as crime becomes more businesslike and complicated, more thoroughly organized and more protected by the law. For be it known that just as the law-enforcement agencies seek legislation to prevent and put down crime, so do the forces of organized crime find means to use the law advantageously and there are lawyers and courts to protect them.

In such a case as the one now pending against Frank Costello, the situation actually is this: Costello was in the lobby of his own apartment house, engaged in no criminal activity, but like the honest burgher was returning to his domicile from a public restaurant whereupon a punk walked up to him and sought to kill him but failed in the attempt. Costello was taken to a hospital where it was found that he was suffering from a slight scalp wound which was soon mended. He was interrogated by the police but chose silence. Some time during the interrogation, the police came into possession of a slip of paper which to them and other experts indicated that Costello was engaged in gambling. Because he would not explain to law officers or to a grand jury, he was arrested on the charge of contempt of court.

All of this is normal except the piece of paper. It is his property and upon it the law-enforcement agencies can only act by due process. The punk who tried to kill Costello is either free or dead, but Costello is in jail for being shot at.

These Days

By George Sokolsky

Uncle Frank

IT has been said that Frank Costello is to a degree, possibly to a startling degree, a creature of newspapermen, particularly those in New York who have attributed to him the wisdom of Solomon and the depravity of Bill Sikes. Well, everything can be attributed to newspapermen as it is to Frank Costello, but it may also be said that where there is smoke, there must be fire.



Sokolsky

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Tolson
Nichols
Boardman
Belmont
Mohr
Parsons
Rosen
Tamm
Trotter
Nease
Tele. Room
Holloman
Gandy

File

Wash. Post and Times Herald A-12
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date MAY 18 1957

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138 MAY 27 1957

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61 MAY 27 1957
53 JUN 6 1957 F134

Epitaph for an Emperor



Costello Ran Show In Los Angeles, Too

This is the last of a series of articles detailing the life story of Frank Costello, recently deposed as boss of the underworld and the target of a mobster's gun two weeks ago. The series describes his rise from a hoodlum in an East Harlem tenement to emperor of the kingdom of crime.

By ROBERT H. PEARL,
Staff Writer.

When Frank Costello surveyed the top echelons of the nation's racketeers in the 30s and selected Brooklyn racket king Joe Adonis as his No. 1 boy, the crime emperor made a fine choice.

Joe A., as he was known to his horde of henchmen until he went into voluntary exile in Italy a few years ago, displayed all the characteristics of the silent but resourceful type of "business executive" so avidly desired by Costello in his circle of crime directors.

Adonis rapidly expanded his circle of influence in Brooklyn. He abandoned the more violent business of hijacking liquor and set up a vast liquor delivery system that fed whisky—properly cut, of course—to hundreds of speakeasies in the city. He had taken over a huge rum-running ring following the murder of Frankie Yale and the profits were rolling in.

Could Swing Election.

By 1933 he had a strong political machine and could swing a district election the way he wanted. Brooklyn political leaders soon were coming to Adonis for favors and Costello was pleased. The alliance of crime and politics was proceeding according to plan.

Adonis took another page out of Costello's book and invested heavily in real estate and a cigaret vending machine business and woe to the recalcitrant saloonkeeper who told a "salesman" he didn't want a machine in his place.

Mr. Nelson
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

CLIPPING FROM THE
N. Y. N.Y. WORLD TELEGRAM & SU
DATED MAY 17 1957
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RESEARCH MATTER:

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53 JUN 6 1957
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He ran loan shark and policy rackets and was the man behind the throne in all the drug smuggling along the Brooklyn waterfront. But despite the mass of evidence that pointed to his partnership with Lucky Luciano, the Federal Narcotics Bureau was never able to pin a narcotics rap on Adonis.

In the wake of the dissolution of Murder Inc., Adonis displayed an interest in moving out of Brooklyn and after he talked it out thoroughly with Costello, it was decided that he take up a new residence in Fort Lee, N. J. From this vantage point, it was convenient for him to operate the syndicate's swank gambling casinos in Lodi and Fort Lee. The houses netted a huge fortune to the cartel.

More Dope Brought In.

Meahwhile, the syndicate's vice and narcotics operations were being capably handled by Luciano who was in command of smuggling virtually all dope that came into this country. Even after Gov. Thomas E. Dewey cut short his 30 to 50 year prison sentence and ordered Luciano deported to Italy, he became even more important to the dynasty of crime. More and more narcotics were smuggled into this country.

The U.S. Senate crime investigating committee ... to define the link between Costello and Luciano, reminded Costello that as early as 1943 he had testified before a grand jury that he was a friend of Luciano's. Then it began to try to establish the degree of the friendship and how well it served Luciano's deportation in 1946.

The investigators were sickened by Costello's evasive testimony.

Erickson Picked.

Other investigators had been sickened in prior years when they learned of the profits from another arm of Costello's cartel. He had picked Frank Erickson, the "master of figures," for this important post and it was the cherubic-faced Erickson who merchandised "betting with a bookie" as a popular American pastime in practically every city and town in the country.

To get a general idea of the vast scope of the syndicate's bookmaking operations, it can be pointed out that government accountants estimated Erickson's underworld income at anywhere from $5 million to $20 million a year. Edgar Bromberger, former city commissioner of investigation, found in 1944 that Erickson had banked more than $30 million in 12 years.

And the bookmaking business boomed everywhere. In Chicago, the Fischetti brothers tripled the city's bookie joints within a few years. It mushroomed through the midwest and on the West Coast where the late Bugsy Siegel took control. Costello saw to it that the top leaders in each area were bound to the cartel and compensated through partnerships in enterprises outside their immediate territory.

Bugsy Rubbed Out.

According to Time magazine in 1947, Siegel was picked for the syndicate's West Coast assignment in 1933.

Bugsy later was rubbed out by a gunman who shot the eyes right out of his head and a new figure appeared on the West Coast crime front—little Mickey Cohen. But nobody really regarded him as the leader of the racketeers in the area.

As Los Angeles Mayor Fletcher Bowron said in 1949:

"Mickey Cohen is just a small part of the (local racketeering) deal. It's Frank Costello who runs the show. Everything points to Costello as the big-time figure behind the Los Angeles gambling mob's activities."

Afraid to Talk.

Down through the years, none of Costello's lieutenants—Adonis, Erickson, Accardo, Fischetti—have ever opened up with investigators and parted the curtains behind which their underworld rackets operate. None of them would dare say a word without an OK from the big boss in New York.

As Mayor Bowron said, "It's Frank Costello who runs the show."

But today Costello isn't running the show. The emperor of the underworld is finished. The bullet that creased his scalp two weeks ago proved it.

Probe Interest Of Costello In Las Vegas

'Casino Wins' Note Believed Report of Nevada Operations

By PAUL MESKIL,
Staff Writer.

New York and Nevada authorities are investigating reliable reports that Frank Costello has extensive interests in Las Vegas gambling.

Police have information that a note found in Costello's pocket on the night he was shot was a weekly financial report from a casino operating in one of the largest, most luxurious hotels in the desert oasis.

The note, written by hand on a single sheet of white paper, mentioned "gross casino wins" of $651,284 "as of 4-26-57," "slot wins" of $62,844, and $155,745 in "markers," gambling term for IOUs.

These "markers" are legal in Nevada and are accepted in all gambling casinos there, provided the customer can prove his identity.

Controlling Interests.

Costello and his longtime partner, Dandy Phil Kastel, are reported to own controlling interests in at least two hotel casinos in Las Vegas and in that city's gigantic slot machine business.

The Senate Crime Investigating Committee, under Sen. Estes Kefauver, disclosed several years ago that Costello and and Kastel owned a big gambling casino outside New Orleans and thousands of slot machines planted throughout Louisiana.

When Louisiana authorities uprooted the slot machine garden, the Costello-Kastel combine turned westward to the gambling gold mines of Nevada.

Mob Moved In.

Nevada authorities claim they have done everything possible to keep gangsters and racketeers out of their state's legal gambling operations, a billion-dollar business that makes the Monte Carlo casino look like a penny ante game.

But their best wasn't good enough. The mob moved in, buying up hotels, night clubs and casinos through "front men" outwardly respectable, sources indicate.

It is reported Costello and Kastel sent lieutenants from New York and Chicago to Las

Continued on Page Seven.

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RE: FRANK COSTELLO
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COVERAGE
RESEARCH MATTERS

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Vegas to grab a sizeble chunk of the real estate.

Part of Association.

The luxury hotels in which Costello and Kastel reportedly hold major interests are members of a hotel association consisting of about a dozen multi-million dollar establishments.

When the gambling tables at one of these casinos are hit hard, other members rush to the rescue. The association thus protects the financial interests of all concerned.

As the note in Costello's pocket was fresh and unwrinkled, police believe it was handed to him a short while before a pot-bellied, waddling gunman tailed him home to the Majectis Apartments, 115 Central Park West, and creased his scalp with a 38-caliber slug on the night of May 2.

New Probes.

The note immediately touched off a new investigations of Costello's financial status and of racketeer interests in legal gambling.

Robinn Cahill, head of the three-man Nevada Gambling Control Board, told this newspaper he was following developments in the Costello case closely, especially with reference to the gambling note.

He indicated that the board is looking into Costello's Las Vegas connections, adding that steps will be taken to eliminate "any racketeer influence" in Nevada.

Mr. Cahill reportedly is in communication with District Attorney Frank S. Hogan's office on the Costello case.

Epitaph for an Emperor



Costello Pals Go to Doom

This is the fifth of a series of articles detailing the life story of Frank Costello, recently deposed as boss of the underworld and the target of a mobster's gun last week. The series describes his rise from a hoodlum in an East Harlem tenement to emperor of the kingdom of crimes.

By ROBERT H. PRALL,
Staff Writer.

A series of events—most of them violent—in the early thirties found racketeer Frank Costello and his closest henchmen acquiring more and more power in the national cartel of crime.

Joe the Boss Masseria, Costello's old friend and first tutor, was growing fat on revenue from the underworld. Not only did his section of the Mafia control most of the extortion rackets in town but his mobsters extracted a heavy protection toll from Italians who dealt in spaghetti, olive oil, fruit and candy.

Spray Masseria.

Joe's days, however, were numbered. On April 15, 1931, Charles Lucky Luciano, the white slavery specialist, took Masseria out for dinner at the Nuova Villa Tammaro restaurant. After a sumptuous meal, Luciano, his two bodyguards and Joe the Boss relaxed over a game of cards until all the other patrons had left the restaurant.

Suddenly, Luciano excused himself to go to the washroom, and at that precise moment two young men alighted from a large blue sedan and walked into the place. They then whipped out 45-caliber automatics, sprayed Masseria with bullets but never touched the two bodyguards.

Joe the Boss slid to the floor with three bullets in his back, one in his forehead and one in his neck. His right hand clutched the ace of diamonds.

Continued on Page 18.

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(GIIF) TOP HOODLUM
COVERAGE
RESEARCH MATTERS

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44 MAY 27 1957

60 MAY 28 1957

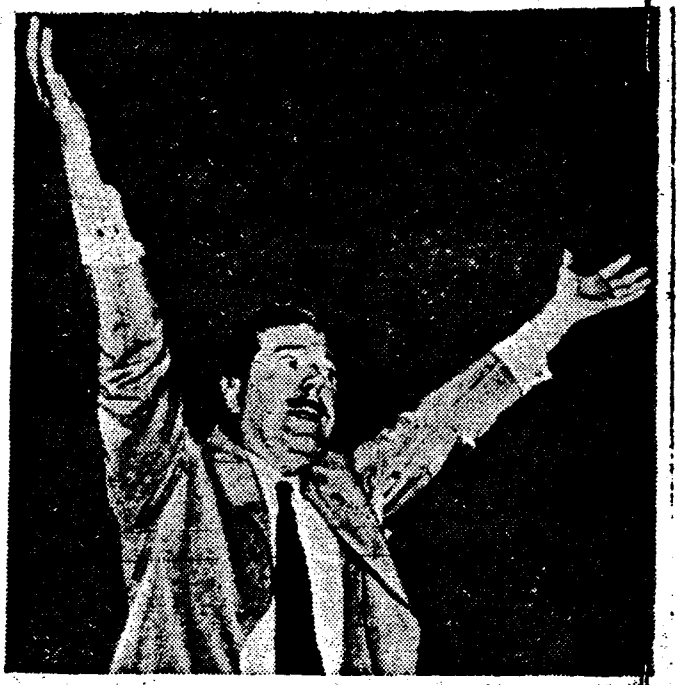
Luciano, of course, was gone by the time police arrived.

Meanwhile, there was trouble in Chicago—bad trouble for Al Capone. In a crusade against crime there, Capone found himself proclaimed No. 1 on a list of 28 public enemies. Police were smashing his stills, closing his gambling joints, burning his brothels and peering into his books. Big Al fled to Florida.

But the Department of Justice had him indicted on five thousand tax-evasion and bootlegging charges and Capone went on trial. Convicted by a jury, he heard himself sentenced to 11 years, soon to be transferred to Alcatraz, the dreaded "Rock" of the federal pentitentiary system.

Mobsters Disappearing.

The gun-slinging mobsters were disappearing, in one manner or another and the new era of crime, featuring the well-dressed "businessman" type of criminal was looming brightly on the horizon. But there was the problem of Dutch Schultz,



As Frank Costello moved up in the world of crime his associates came more and more from politics and government. He made a deal with Louisiana Kingfish Huey Long.

formally known as Arthur Flegenheimer.

Flushed by the success of his beer running operations, he was demanding a larger share of the profits from numbers and extortion rackets. A swaggering loud-mouth, he boasted of "taking over," even talked wildy of knocking off Thomas E. Dewey, then the Manhattan district attorney.

This, of course, was pure madness in the eyes of any racketeer interested in the new concept of the underworld syndicate. Anyway, Dutch Schultz never got a chance to carry out his threat.

On the night of Oct. 23, 1935, he was in the Palace Chop House in Newark, N. J., with his bodyguard and two pals when a vicious trigger man by the name of Charles (The Bug) Workman, accompanied by Emanuel (Mendy) Weiss and a thug called Piggy, walked in and moved slowly toward Schultz.

Exchange of Shots.

There was an exchange of shots. Weiss and Piggy fled but Workman, a cold executioner whose only thrill was seeing his victim squirm, ducked behind a table and shot it out. He had a submachinegun under his topcoat and one of its slugs struck Schultz below his heart. The Bug then killed Schultz's three friends, got up, spat on Dutch's writhing body, and walked out. Schultz died the next night in a hospital.

New York City Police Commissioner Lewis J. Valentine sent out an alarm for the two men he considered the most likely mobsters to order the Dutchman's execution. They were Lucky Luciano and Johnny Torrio.

The underworld, however, sent out word that Luciano's hands were clean and so the search was concentrated on Torrio. Eventually he was arrested but police never were able to pin the Dutch Schultz killing on him. However, he did plead guilty to a charge of cheating the United States in the internal revenue stamp racket and in 1939 he was sentenced to two and one-half years in Leavenworth.

Johnny got out in 1941 but he was never a power in the underworld again.

And still another big name mobster who couldn't put down his pistol and his bloody icepick went by the wayside in this era. He was Louis (Lepke) Buchalter, head of Brooklyn's Murder Inc. Wanted for a narcotics violation and for the murder of a Brooklyn candy store operator, Lepke gave himself up in 1939 to the FBI.

Friends on All Levels.

He was convicted of murder and went to the death house in Sing Sing in March of 1944. On the day he died, this newspaper published a story in which Lepke was quoted as screaming:

"Frank Costello made me surrender."

Costello made friends on all levels, from waiters at the restaurants where he dined to William O'Dwyer, who was to become the Mayor of New York City and ambassador to Mexico. Mr. O'Dwyer in 1942 visited Costello in his lush seven-room penthouse apartment on Central Park W.

Secure in his lordship over crime, Costello was convinced that a marriage between crime and politics bred power. As early as 1932, he went to the Democratic national convention in Chicago which was to nominate Franklin D. Roosevelt for President.

Costello shared a suite in the Drake Hotel with the late James J. Hines, Tammany Hall's powerful leader, who later was to be sent to prison by Mr. Dewey for protecting racketeers. Introduced to Democratic leaders from all over the country, Costello soon was able to make his wish known in virtually every state merely by lifting the telephone receiver.

Three years later Costello got another boost. The late Huey P. Long, then a U.S. Senator, met Costello in a local hotel and made him a proposition. If Costello would set up a string of slot machines in New Orleans, the Kingfish would guarantee him police protection and promote acceptance of Costello in high political circles.

Dandy Phil Kastel was named as general manager of the operation and from 1935 to 1945 the 8100 slot machines, which cost $942,000, grossed $32,840,000.

Costello's chief aid, Joe Adonis, meanwhile had become the overlord of crime on the Brooklyn and New Jersey waterfronts. Frank Erickson was the multi-millionaire king of the bookies and Luciano, the undisputed boss of the white slave trade and the smuggling of narcotics. Dope was being smuggled into the country in impressive quantities.

Tomorrow Costello's "interests."

INDEXED-29

Epitaph for an Emperor

Costello, the Gentlemanly Hoodlum

When the average American hears the name of Frank Costello, he pictures the deposed emperor of the crime cartel as a cruel, sinister image of evil. As a matter of fact, Uncle Frank could be mistaken for a prosperous, well-dressed, civic-minded Italian businessman.

In his mannerisms, he displays none of the qualities of an ex-convict. He speaks softly, dresses expensively but conservatively and is generally seen in the very best places. In his carefully selected company are some of the nation's best known lawyers, judges, politicians and business leaders.

With the power of his position, Costello has always reveled in the luxurious life of a millionaire. But he has never been a showoff. And he would be happier and healthier today if newsmen and magazine writers had never penned a line about him.

Strongly Built Man.

Costello is a strongly built man of average height. His short neck is perched on wide shoulders. When he mixes with the public, he gives the impression of a man who wants to be pictured as a rather kindly gentleman whose chief interest is in doing good for his friends.

Unfortunately, the once vaulted "boss" of the crime syndicate finds himself today in a lowly jail—hounded by the law and turned on by fellow mobsters who wish him in his grave. Uncle Frank is the Big Town's most unhappy fella.

Chair by Fireplace.

It was not always this way, of course, because the kingpin of crime long enjoyed a rather remarkable immunity to the bars of a cell. As the puppeteer guiding the moves of thousands of underlings in the syndicate, he stayed aloof and happy in the luxury of his seven-room apartment at 115 Central Park West.

Costello always loved to lounge in a great chair before

Continued on Page 18.

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46 MAY 20 1957

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his fireplace, eyeing his visitors with soft limpid gray-blue eyes. His black hair, streaked with gray, was brushed straight back from his narrow forehead and the muscles around his thin lips worked ceaselessly as he listened to the conversation.

He always preferred to keep full face to his visitors, a healthy habit for any man in his business. Besides, he has always been a bit conscious of the Cyrano de Bergerac profile created by his long and pointed nose.

He has always been proud of his deep tan, the result of long hours under barbershop sun lamps and the frequent trips he made to Miami and Hot Springs, Ark. He enjoys studying the brown healthiness of his nervous, short-fingered hands.

Impeccable Attire.

The Emperor was always proud, too, of his impeccable attire. Actually, his wardrobe has never consisted of more than 25 suits, all of them, however, faultlessly tailored. By the usual standards of hoodlum haberdashery, this was no extensive layout since other big shots in the business of crime have boasted of having more than 100 suits.

The explanation, perhaps, is that Costello has always discarded suits at the close of a season and purchased new ones more often than most of his colleagues.

He favors single-breasted suits of deep blue with a thin white stripe. His shirts, naturally, are custom made, with his initials on the left breast. His links, of quiet design, are either gold or platinum. He delights in gleaming white shirts but will wear pastels on relatively informal occasions.

Colorful Necktles.

His lust for color is evident in only one article of apparel—his necktles. He adores Countess Mara and Charvet originals which often are hand-painted riots of color. He feels, no doubt, that flashy neckwear stamps him as a man of taste in the eyes of his "business" associates.

He sleeps today, of course, on the hard, bumpy bunk of his prison cell but when he's home with his wife, Loretta, he drops off in a soft, oversized bed that is elegantly equipped with a quilted headboard. He sleeps soundly and anything less than eight hours rest is likely to make him snappish in the morning.

He rises early, as policemen who have been tapping his phone since 1943 will attest. Well aware that his words are recorded by the cops, Costello often has lifted the receiver and extended a polite "Good morning, boys" to the silent sentinels who, of course, never replied.

'No Comment.'

Even today the police do not deny they are tapping Uncle Frank's phone. Their answer to the question is always a crisp "No comment."

On arising in the morning, Costello habitually would slip into his silk dressing gown and pad into the bathroom for a warm shower. He then would breakfast in the dining room with Loretta. As he breakfasted, he began his business day, first scanning the newspapers to see whether he or his henchmen were in the headlines and then receiving calls in code from lieutenants all over the country.

As Herbert Asbury, the noted crime writer, reported in his 1947 series in Collier's, many of Costello's mornings were spent in conference with politicians, racketeers, lawyers and accountants but none dared visit him without an explicit invitation. Even Frank Erickson, the fabulously wealthy bookie who wound up in jail for his role in the Costello syndicate, never dreamed of dropping in for a chat with Frank without first telephoning for an appointment.

For years, Costello drove each day to the Waldorf-Astoria, the swank hostelry of which he was inordinately fond, probably because it signalized for him the position he wanted most to occupy in this world.

Big Deals in Bar.

It is probable that some of the biggest deals of his life were consummated in the Men's Bar or around a table in the ornate grill room. In fact, a few of his pals, including Charles (Lucky) Luciano and Willie Bioff, the extortionist,

took such a fancy to the grand hotel that they moved in for a time and rubbed shoulders with some of the very captains of industry they were shaking down.

Costello generally makes straight for the barbershop as soon as he enters the hotel. There he is shaved, massaged and hot-toweled while his nails are being given the attention of an expert manicurist and his shoes the loving care of his special bootblack.

Barbers say that Costello relaxes fully in the chair and seldom talks more than is necessary to exchange the pleasantries of the day. Occasionally he is accompanied to the barbershop by an associate but it has been noted that the other man maintains a discreet silence while Costello absorbs the warmth of the hot towel and the tangy freshness of the toilet water.

Back Faces Corner.

Closely shaven and exuding the confidence of a meticulously groomed business executive, Costello generally strolls into the bar for a whisky sour or two before sitting down at his accustomed table in the dining room. On other days, he may wander over to Toots Shor's or another midtown restaurant, to steep himself in the Broadway and theatrical atmosphere he loves.

On such occasions he selects a corner table and sits, back to the corner, facing the entrance. Waiters have noted that although he is at the table for most of the meal, a number of hard-faced men who are not steady patrons of the restaurant drop in and take seats at adjoining tables.

At intervals some of the men—one at a time—will leave their own tables, sit down beside Costello, exchange a few words and then return to their meals. The whole procedure impresses the waiters as a form of cafe society table-hopping, done in underworld style.

Over the years Costello has been seen in the company of such well-known gamblers and racketeers as Erickson, the master bookmaker; Joe Adonis, now involuntary exile in Italy, and Lucky Luciano, deported to Italy. Vincent (Jimmy Blue Eyes) Alo, long one of Costello's trusted lieutenants. The late Dutch Schultz and the late Benjamin (Bugsy) Siegel, who for years ruled the West Coast underworld.

The New Look.

Oddly enough, these men—some of them responsible for the most flagrant crimes in the nation—conducted themselves with passable manners. Actually, they represented what Costello so earnestly worked for—a new look for the American criminal, a man conservatively dressed and unobtrusive in public.

Costello would devote frequent afternoons to his "business" interests. It was his practice to run up to Westchester County, out on Long Island or down into New Jersey for a round of golf with an attorney or a gangster friend or some politician currently in his favor.

In the evening it has been Costello's custom to telephone Loretta and tell her where to meet him for dinner. He rarely dines at home, preferring to escort Mrs. Costello to the most expensive fashionable clubs in the city. Frequently he would meet with outstanding lawyers and business friends, always picking up the check and flashing a $100 or $500 bill—a hangover from the Prohibition days when he carried his money in wads.

Reply to Hogan.

District Attorney Frank S. Hogan once asked Costello if it were not true that he was trying to mix with "the better people."

Costello replied: "Absolutely.



Business associates of Frank Costello included all of the really big men of the underworld. Men like Joe Adonis (left), Frank Erickson (above, left) and Lucky Luciano (above right).





The better people and nothing but the better. I know some of the biggest utility men, some of the biggest businessmen in the country."

But he declined to name them, explaining that he did not wish to embarass them.

"You know some of the worst people, too, don't you?" asked the district attorney.

"Yes," said Costello.

Tomorrow: The first crime convention.

4

Epitaph for an Emperor



Costello Got Rich on Rum

This is the second of a series of articles detailing the life story of Frank Costello, recently deposed as boss of the underworld and the target of a mobster's gun last week. The series will describe his rise from a hoodlum in an East Harlem tenement to emperor of the kingdom of crime.

By ROBERT H. PRALL,
Staff Writer.

The year 1925 was marked by two notable events in the life of Frank Costello as the Italian immigrant was climbing the rungs of the underworld.

First, he became a naturalized citizen of the United States. Second, just when things were going along swimmingly, he was indicted along with his brother, Eduardo, William (Big Bill) Dwyer and several others. The government charged they had run whisky into this country with the aid of a group of bribed coast guardsmen.

Although Costello, then 34, had achieved only a degree of the power he later was to wield as emperor of the nation's crime syndicate, he was most certainly a racketeer to be figured with. He had moved fast and far from the squalor of the East Harlem tenements he knew as a boy.

Rum-Running Trial.

Testimony in the rum-running trial in 1927 revealed just how far Costello had expanded his operations in the lucrative business of quenching America's Prohibition thirst. He was pictured as one of the top leaders in a smoothly working combine that picked up liquor in Canada, smuggled it into New York Harbor and disposed of it through affiliated interests in the bootlegging syndicate.

This was by no means a small operation. The syndicate maintained a small navy of fast speedboats which were known to be able to outrace any Coast Guard cutters that gave chase. The gang also employed a seaplane to search for lost or stolen speedboats. The mobsters also used the plane to fire on Coast Guard vessels when they pursued the speedboats.

Dwyer, a powerful racketeer of that era, was found guilty as were several other mobsters. Costello, however, who somehow had avoided the bright glare of the publicity spotlight which was cast on other big

Conetinued on Page 3.

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6 Jet

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RE: FRANK COSTELLO
TOP HOODLUM
COVERAGE

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shots in the syndicate, got off. A jury was unable to agree on his guilt.

Role in Operation.

Costello's role in the operation had been pictured by the government as payoff man of the gang. One coast guardsman told the court he was hired twice by Costello for $75 a week to pilot a rum-running speedboat.

Although the case, so far as Costello was concerned smelled badly of a fix, there was no proof of any such manipulations. Costello never faced trial again and in 1933 the indictment naming him was thrown out. Although the coast guardsmen had pleaded guilty, they never were sentenced and in 1942 the whole case was dropped. There was one fascinating incident at the finale. A P.S. attorney announced to the court that his entire file on the case had DISAPPEARED!

Rum-running, however, was not Costello's only interest in the Roaring Twenties. In 1921 it became widely known that Arnold Rothstein, the big gambler who was murdered in 1928, was linked with Costello in assorted business ventures, all of them profitable.

His Basic Training.

Under Rothstein's tutelage, Costello got his basic training in the punchboard industries in the early '20s and also learned the ins and outs of the rapidly growing bookmaking and numbers rackets. But with the tremendous profits that came from the rum-running operations, Costello shelved much of his interest in gambling until the repeal of Prohibition appeared certain in 1931.



This was a common sight in the days of Frank Costello's rum-running operations—a speedy Coast Guard vessel in pursuit of a boat racing to shore with a load of illegal scotch whisky.

It was in that year Costello made an alliance with Dandy Phil Kastel, a move which was to net both of them untold millions of dollars in the slot machine business. Kastel, a smart, crafty operator who had been coached by Rothstein, was just the man Costello needed to carry out his orders.

He could handle the take, fix the people who needed fixing. At the same time, Kastel was not a man to get big ideas of his own importance and try to scuttle the boss. Costello was very pleased with his new partner.

Knew Way Around.

Kastel was a man who knew his way around. He had operated a night club in Montreal before World War I and he had hundreds of contacts in the

theater and entertainment centers here. Whenever Costello planned a shindig to impress people he was using in his schemes he could always count on Dandy Phil to bring along the most beautiful and most celebrated showgirls and dancers along the Great White Way.

Thoroughly trained by Rothstein in the techniques of the gambling racket, Kastel got in serious trouble only once—a two-year prison term for using the mails to defraud.

Costello and Kastel contracted with the Mills Novelty Co. of Chicago, the largest manufacturers of slot machines in the country, for a huge supply of the one-armed bandits. Then they formed the Tru-Mint Co., that name being used because the machines paid off all players with white, sickening sweet mints.

In their first year of operation they placed about 5000 slot machines in speakeasies, clubs, stores, restaurants and, advantageously, in candy stores near schools. This for the benefit of children who could spend the nickels and dimes of their lunch money. In many stores the racketeers thoughtfully put small platforms near the machines so that undersized youngsters could climb up and easily "invest" their coins.

Mechanics so regulated the machines that the devices paid out less than 5 percent of the money that was poured in. Jackpots in the quarter machines, never more than $25, were so fixed that they came only once in every 10,000 or 15,000 plays.

Costello and Kastel made arrangements with Democratic district leaders in the city to make certain their machines were properly protected, and policemen were bribed to overlook the presence of the machines. Business was booming.

It was about this time that Costello's mentor, Joe (The Boss) Masseria, was murdered, and it fell to Costello to manage the rum-running operations, too. He was equal to the task. The profits from the bootlegging racket, plus the $2 million he reportedly extracted from the slot machines, gave Costello an annual income of more than $4 million, according to the best estimates of newspapermen at the time.

Still, Costello was not satisfied with his life. He wanted more power, not just the influence that comes with great wealth but the brand of power that comes from political influence. He wanted to be "the man behind the throne." He wanted to stay in the shadows, but he wanted to be able to be the kind of man who makes and breaks judges, mayors, governors and senators.

So it was that Costello earned himself a new title. Known far and wide as "Prime Minister of the Underworld" and "King of the Slot Machines," he then became "the man you gotta see." To obtain a picture of just how far his influence was felt in both criminal and honest business, let's move ahead to March 21, 1951.

Ducked and Dodged.

In the Senate Crime Investigating Committee hearings in New York on that day, the late Rudolph Halley struggled to lay bare Costello's many financial interests but the crafty racketeer ducked and dodged wherever he could.

Finally Mr. Halley asked him a direct question about his reported ownership of a piece of the swank Piping Rock gambling casino at Saratoga Springs, N.Y. State police had testified earlier that countless thousands of dollars had been wagered in chemin de fer, roulette, bird cage and other forms of gambling. It had also been brought out that a man named Joe Stein had a 30 percent interest in the club.

Mr. Halley: Now, Mr. Costello, you have had an interest in the Piping Rock Casino, is that right?

Costello: No, it is not correct.

Mr. Halley: Do we have to start that again?

Costello: Give me a chance to explain. I told you that I financed a man called Joe Stein. This Joe Stein come to me with the proposition and I was not interested. So he practically insisted because he wanted to make some money; and I said, "All right, then, I will finance you. And whatever you do, we will go fifty-fifty." So I personally had no interest in the Piping Rock.

At this point in the questioning, the late Sen. Charles Tobey (R., N. H.) asked incredulously: "But you were a part owner!"

Costello: True.

Sen. Tobey: Sharing the earnings?

Costello: Yes.

This is just a sample of how vague Frank Costello can be about the countless thousands of dollars he invests. When he's before an investigating committee he just can't seem to remember whether he put $50,000—or was it $75,000 or possibly $100,000—into some little real estate proposition or liquor deal.

"It was all so long ago," he says. "I just don't remember. I really want to tell you gentlemen, but I just don't remember. It was all so long ago."

Prodded by the committee, he talked uneasily of cash on hand and investments that totaled close to a quarter of a million dollars. But, in essence, he admitted that this was just a tiny fraction of his reputed multi-million-dollar fortune.

Where did the money come from? Well, he said from a little lucky gambling from time to time, from real estate investments and from "legitimate business enterprises."

All in all, it was most frustrating for the Senate Investigating Committee and for the millions of people who listened over the radio or watched the double-talking witness on television. They wondered how this great wealth—ignoring for the moment that it represented a mere slice of his true fortune—had come to a man who couldn't seem to explain where or when he had got it.

Monday: The gangster at home.

Epitaph for an Emperor



Costello Has The Answers

This is the sixth of a series of articles detailing the life story of Frank Costello, recently deposed as boss of the underworld and the target of a mobster's gun two weeks ago. The series describes his rise from a hoodlum in an East Harlem tenement to emperor of the kingdom of crime.

By ROBERT H. PRALL,
Staff Writer.

Frank Costello always seems to have a naive answer ready when an interrogator poses a particularly searching question.

Just the other day after a careless gunman came within a whisker of blowing his brains out, he was asked if he had enemies.

"I don't have an enemy in the world," he blandly replied, knowing full well that a segment of his mob has turned on him and will finish the job at the next opportune moment.

But then, Frankie boy has always been this way. He has doggedly denied that his relationship with the worst thugs and cutthroats in the country was anything more than a social one. In fact, he tried to display genuine surprise in 1951 when the U.S. Senate Crime Investigating Committee asked who nearly all gangsters addressed him as "boss" or "chief."

Halley Cited Power.

"I dunno," he said. It must be that they just like to say them words."

The late Rudolph Halley, chief counsel for the Senate committee, picked out one case to show that Costello had such power over the nation's thugs that he was truly an emperor of crime. Mr. Halley introduced transcripts of phone conversations Costello had with the late Willie Moretti, a second-rate New Jersey mobster who was in the cartel for 20 years until gunmen with better aim than Costello's overstuffed attacker shot him dead a few years ago.

The questioning went like this:

Mr. Halley: Did you have anything to do with Willie Moretti's going to California?

Costello: No.

Mr. Halley: Now, isn't it a fact that Willie suffered some kind of an injury or accident and began to talk too much?

Costello: I don't know what you mean by talking too much. I know he was a very ill man.

Mr. Haley: You gave certain orders for him to keep from talking, did you not?

Costello: I might have suggested that he should take a rest, and go to recoup, maybe, in Florida, California or somewhere. What privilege have I got to send him away?

180 Phone Calls.

Mr. Halley: Do you remember whether or not he called you very frequently from California?

Costello: I don't believe he called me.

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CLIPPING FROM THE
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P.7 NIGHT

RE: FRANK COSTELLO
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RESEARCH MATTERS

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Mr. Halley: Would you be surprised to know that there were 130 telephone calls.

Costello: They weren't for me, were they?

Mr. Halley: Yes, between you and Willie Moretti . . . Now, did you order him to stay in California after he got there?

Costello: Oh, I might have said, "The longer you stayed, the better for your health."

The committee showed Costello had that kind of relationship with many of the nation's top racketeers. Then it switched its attack and asked him about his friends outside the underworld—the judges, politicians, officeholders.

It was the same story. Costello referred to them as friends who dropped in for a drink or a meal once in a while. Did he discuss politics with them?

"Absolutely not," Costello lied. District Attorney Frank S. Hogan's phone taps showed otherwise.

Denies Everything.

Charles Lipsky, a well-known businessman and Republican leader in Brooklyn, told the Senate Committee that no man could get the mayoralty nomination from Tammany Hall unless he had the approval of Costello. And other civic leaders have said substantially the same thing.

But as always, Costello denies everything. He says he's "divorced" from politics.

An incident several years later shows that even if Costello had wanted to dissociate himself from the men with the iron hats and the tin boxes, the boys who loved him weren't willing to let him go. Sometimes it looks as though politicians stay up late nights, just figuring out ways to make Costello happy.

For example, in 1944 Costello bought three buildings in New York's thriving financial district, 13 and 14-story skyscrapers on Wall Street and a four-story structure on Water St., nearby. Herbert Asbury, the noted crime writer, has revealed that Costello, buying these buildings through the 79 Wall Street Corp., which he owned, paid $55,000 above the mortgage of $249,483.31. At the time of the purchase, the buildings and the land on which they stand were assessed by the city at $512,000.

By 1947, however, with real estate prices soaring over the land, the assessment somehow had melted to $473,000, a drop of $39,000. There was no explanation why the buildings suddenly became less valuable at a time when all real estate was skyrocketing. A year later, Costello sold the buildings for a price reported at more than $500,000.

Costello, of course, always has a battery of high priced attorneys to advise him on important matters of finance. And the barristers have always warned him to pay his income taxes and keep the Treasury Department off his tail. Frankie, unfortunately, has not always listened.

In 1936 he reported an income of $77,805, but the rev-

[illegible] people said they found additional income of $188,822. Costello paid up. The next year he listed $60,595 and the agents unearthed another $192,155. Once again he paid.

One interesting source of his income was his connection with the Whiteley Distillery at Leith, Scotland, the company that produced King's Ransom and House of Lords whiskies. It was discovered that Costello and his partner, Dandy Phil Kastel, were acting as agents for the company and received a commission of two shillings and sixpence on each case of liquor brought into the United States.

This income amounted to about $35,000 a month for a period of 10 years. Costello's duties, it seemed, were to promote the sale of the Scotch in America. He himself testified that the way he understood it, all that was expected of him was to go to first class hotels and restaurants and ask to be supplied with the company's brands.

It isn't often that Costello's activities reach the headlines, and he likes it that way. But once in a while he can't seem to help making news. One of the more fascinating stories occurred in 1949 when Costello, in his attempts to meet "the better people," threw a $100-a-plate dinner at the Copacabana for the benefit of the Salvation Army.

But when word got out that the Frank Costello, vice chairman of the Salvation Army, was THE Frank Costello, there was a terrible to-do. The names of those known to be there were published and they included some of the best-known judges, politicians and society figures. Shocked Salvation Army officials decided they could somehow manage in the future without any Frank Costello benefits.

Tomorrow: Crime—Coast to coast.



RUDOLPH HALLEY.



WILLIE MORETTI.

0-19 (Rev. 9-7-58)

On the Line:

Why Did Costello Do It?

By BOB CONSIDINE

LOTS of people wonder why Frank Costello, 66 and possibly cancerous, chose to take a 30-day rap, after all the time he has spent in the can, rather than tell the police what they wanted to know about a slip of paper in his pocket. It had to do with a $600,000 casino play.

Apparently, the New York cops gave up trying to find out from Costello who might have ordered him shot recently. There's every reason to believe him when he husked that "some punk" creased his skull with the single shot. The bloke who shot Costello probably wasn't important enough ever to have met him socially. He was probably some poor miserable, Godless skunk hired to do the job for maybe $500, with the understanding that if anything went wrong he'd be on his own. They wouldn't tell him the rest.

He missed from ten feet, with nobody pushing him. By now he probably is dead even as he would have been if he had scored a direct hit. Alive, the fumbler would represent a potential embarrassment to his employers. He might get drunk and spill the story to a girl or, worse, to a reporter.

Track-Covering

If he had killed Costello, he most certainly would have been rubbed out, a simple track-covering detail, just as the bum who threw the acid into Victor Riesel's eyes and made the mistake of spilling a bit on himself was shot like a fish in a bowl by the people who hired him.

Costello probably has a clear idea of which new or conceivably old group or syndicate tried to cancel him. But this man was raised in a curious, unmoral world where there are certain rules and dogma—variously enforced—which sometimes take on the durability of the Constitution of the U. S. The cops will beat up a punk who tries to live up to the code. They wouldn't lay a hand on Costello.

Costello is probably a millionaire. He made an utter mint as a bootlegger; had one boat in his rum-running flotilla which, alone, could invade with 50,000 cases. He probably had a piece of Frank Erickson's colossal pre-Kefauver bookmaking business. He got his slot machines into Louisiana through Huey Long, was a partner of Phil Kastel around New Orleans, the Lanskys in Dade County, Florida, and Benny Siegal in Las Vegas. He and a couple of associates bought control of one of the world's great distilleries of Scotch whisky, after importing shiploads of it during Prohibition. He owns a hunk of Wall Street.

Possible Clue

As a student of the phenomenon of Costello, it is not too difficult to comprehend why he'd still have the mysterious markings of a gambling tally in his pocket even though he must have known he was either watched by police or trailed in jungle fashion by those who want him done away with. Here may be a clue.

The top bookmaker of Washington, D. C., now dying in jail serving one of those endless tax raps, was out on parole a few years ago and returned to his old haunts on Ninth St., or some other honky path of that nature. All Washington cops not assigned to chasing starlings or protecting drunk diplomats had him under surveillance. Some poor government clerk spotted him and asked him to book a two-buck bet. The bookie, with more clear money than the U. S. Government, took the soiled deuce and put it in his kick, to the horror of a mutual friend, who said, "for two bucks you'd risk going back to jail?"

"It ain't that," Sam said. "If a guy wants to play, I feel I gotta be around to accommodate him, if I ain't, somebody else will be."

The probable truth about Costello is that, like a ham, he can't or won't get off.

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Costello a 'Model Prisoner'; Life Guarded on Rikers Is.

By Milton Lewis

Frank Costello, on Rikers Island under a thirty-day contempt sentence, was described yesterday as a "model prisoner."

Deputy Corrections Commissioner Frederick C. Rieber added that the gambler is being treated "no different from anybody else," and that extra precautions are being taken to see that no attempt is made on his life in prison. He is being kept in a segregated block. Prison authorities said he was suffering from a hernia and calluses on his feet.

To show he is getting no special favors, Mr. Rieber said that the racketeer, like all the other inmates, is allowed to make total purchases of only $2 a day from the prison commissary. When shot on May 2 by a would-be assassin still being sought, Costello had on him $800 in cash and a slip of paper showing apparent gambling winnings totaling $651,284.

Keeps Special Shoes

The thirty-day sentence was imposed in General Sessions on Tuesday after the underworld boss twice refused to tell a grand jury anything about that piece of paper. Police feel it could well establish a motive for the bullet which nicked Costello's head in the vestibule of his apartment house at 115 Central Park West.

Because of his calluses, the racketeer was allowed to retain his special orthopedic shoes. It was reported that he was smoking cigarettes incessantly and was intrigued by some of the newspaper "dope" stories on why he was shot by a "syndicate." He was said to have hooted, in his gravel voice, at accounts he was hit because he was "spilling" to authorities.

Probers Meet

Meanwhile, Chief Assistant District Attorney Alfred J. Scotti met in his office for two and a half hours with Alexander Herman, head of the prosecutor's Homicide Bureau, and Deputy Chief Inspector Edward W. Byrnes, in charge of Manhattan west detectives and in charge of the police investigation into the shooting.

There was no grand jury session yesterday. There will be one on Monday, the same day that Costello's lawyers will attempt in State Supreme Court to get him released on bail pending appeal of his contempt conviction. While the sentence was thirty days, he can get five days off for good behavior.

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Wash. Post and Times Herald
Wash. News
Wash. Star
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N. Y. Mirror
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N. Y. Times
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Sealed-Off Costello Loses Court Pitch

By Edward Kirkman and Norma Abrams

Counsel for raspy-voiced Frank Costello lost another round yesterday in their running battle to get the 65-year-old rackets boss out of jail. Several hours after Costello—manacled and kept separate from 13 other prisoners in the same van—was taken from City Prison to serve a 30-day contempt sentence on Rikers Island, his lawyers appeared before Supreme Court Justice Edgar J. Nathan Jr.

Morris Shilensky and George Wolf asked Justice Nathan to sign a temporary stay pending argument on a motion for a certificate of reasonable doubt on Costello's conviction by General Sessions Judge Jacob Gould Schurman. Costello was cited by Schurman on Tuesday for refusing to explain the meaning of a paper found in his clothing after he was shot May 2. The paper noted that "Casino wins" $651,284 as of April 26, and dealt with gambling transactions.

Costello's lawyers protested that their client's Constitutional rights were violated when the cops took the paper from Costello's garments in that unlawful search and seizure were involved, and that Schurman hadn't given Costello a fair trial in the first place.

Nathan was unmoved by the oratory. However, he did mark down argument on the lawyers' motion for a certificate of reasonable doubt for 10 A.M. Monday.



(NEWS foto by Al Pucci)

Frank Costello, carrying parcels over manacled hands, is hustled from City Prison.

Departure Speeded

Meantime, Costello put in his first day on Rikers Island under surveillance designed to save him from a second attempt on his life.

Special measures were invoke from the moment he left Cit Prison at 9:15 A. M.

The van which carried him t

(Continued on page 6, col. 1)

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(Continued from page 3)

Rikers Island had been scheduled to leave City Prison in Manhattan at 9:30 A. M., but Correction Commissioner Anna Kross moved up departure time 15 minutes. Thirteen others, including labor racketeer George Scalise, made the trip in the same van. Scalise was sentenced Wednesday to a year for conspiracy and bribery in use of union welfare funds.

The 13 were herded into the right side of the van, while Costell, handcuffed to a guard, rode as the only prisoner in the left compartment. A wire mesh separates the two sections. Four guards walked with Costello to the van.

At Rikers Island, Costello was lodged in cell 1-A on the first tier, by himself. Guards said he would be kept by himself, would not be given a work assignment, would be taken for walks by keepers, and would be watched 24 hours a day. He could clip five days off his sentence for good behavior, a jail official said.

Who's Dumb Now?

At Police Headquarters, a high official revealed how detectives outfoxed Costello to get the vital Casino paper.

"He has often talked about the 'dumb cops'," said the official. "We showed him this time that we weren't so dumb."

Costello was targeted by a pot-bellied, 6-foot gunman, who waddles when he walks, on the night of May 2 as Costello returned to the Majestic Apartments, 115 Central Park West. The bullet creased the right side of his skull.

A companion of Costello, model agency executive Philip Kennedy, hailed a cab and took the gambler to Roosevelt Hospital. There, Costello took off his clothes and was taken to another room for treatment.

His Papers Photographed

"While he was under treatment," the official said, "detectives went through his clothing, found $800 and several papers, including the Casino paper. The search was warranted. After all, he might have had a gun or another weapon.

"A police photographer took photos of everything found in Costello's clothing. Then the money and papers were put back.

"Costello wasn't hurt seriously. He came back and put on his clothes and, when he thought we weren't watching, felt for the papers and found them. Detectives heard him sigh with relief.

"When we questioned him about the shooting and he gave us the brushoff, we made no mention of the papers.

He Walked Into It

"The first time he knew that we had the Casino paper was when he was questioned about it before the grand jury on Tuesday. We kept it a secret just so that he wouldn't make up a story about it.

"Now, Costello claimed he couldn't talk about the paper because it would get him in trouble with federal and state tax officials. The assistant district attorney offered to make his testimony on the paper privileged if he talked. Costello wouldn't. The whole story came out. And tax agencies are checking the whole matter right now to learn if tax evasion is involved.

"He wasn't smart. His underworld pals must think he's dumb, to carry such a paper around with him. One thing more: Costello is in for more surprises."

Jury Questions Pope

The grand jury which quizzed Costello Tuesday took testimony yesterday from three men who were with him the night of May 2, when he was shot.

They were Generoso Pope Jr., publisher of the New York Enquirer, a weekly newspaper; John J. Miller, a columnist for the paper, and Frank Mario Bonfiglio, a restaurant linen supply salesman.

Working out of the E. 54th St. station, 60 detectives and six superiors continued their hunt for the Waddler. Police disclosed that hundreds more who might have information were questioned and that detectives had, in some instances, gone out of town in tracking down clues.

Costello Jailed for Contempt

He Gets 30 Days; Bail and Stay Denied; Assassin Described

By Norma Abrams and Sidney Kline

A pallid, close-mouthed Frank Costello refused yesterday to answer grand jury questions about last Thursday night's attempt on his life. He was quickly found guilty of contempt of court, sentenced to 30 days in jail, and barreled off to City Prison. He will be transferred to the Workhouse today.

General Sessions Judge Jacob Gould Schurman, who held Costello in contempt for refusing to testify even after the judge's direct order to do so, imposed sentence.

To make sure that the penalty would stick, Schurman denied Costello bail and refused a defense lawyer's request for stay of execution pending appeal.

The jailing of Costello highlighted a day which saw another major development in the case.

Cops Describe Gunman

Police made public a detailed description of the gunman who tried to kill Costello but managed only to crease the right side of his skull with a .38 slug.

The thug, said police, was a pot-bellied 6-footer weighing 235 to 245 pounds, who waddled when he walked.

Police and jail officials in 14 states yesterday were on the lookout for a criminal already known in crime history as the Waddler.

Last evening, "several" subpenas were issued calling for the appearance of the recipients before the grand jury at 2:30 P.M. today, the district attorney's office disclosed.

The names of the witnesses were not divulged, but those in Costello's party the night he was shot were believed to be included.

Costello was put behind bars at the request of Assistant District Attorney Alfred J. Scotti, chief of the rackets bureau, who had tried in vain to get information from the gambler in two appearances before a New York County grand jury.

After Costello's first balk, Scotti took the 65-year-old underworld chieftain before Schurman, asked that Costello be ordered to testify—and produced for the judge a photostatic copy of a cryptic, or not-so-cryptic, memorandum found in Costello's coat

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N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date MAY 8 1957

62-76543-A

NOT RECORDED
76 MAY 15 1957

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Rackets Income Probed

The Internal Revenue Service today began a new investigation of Frank Costello's rackets earnings to see if additional charges of income tax evasion can be brought against the dethroned crime king.

The new income probe was ordered after District Attorney Frank S. Hogan's office disclosed the contents of a note found in Costello's coat pocket after a gunman tried to kill him last week.

The note contained figures believed to represent income from a gambling casino and slot machines which Costello operates.

When he refused to answer a grand jury's questions about the memorandum yesterday, Costello was sentenced to 30 days in jail for contempt of court by General Sessions Judge Jacob Gould Schurman.

Contents of Note.

Costello was to be transferred from the Tombs to the City Workhouse on Hart Island today while police continued hunting the waddling, pot-bellied fat man who creased his scalp with a bullet in a gangland assassination plot.

The handwritten note which caused Costello's new woes read:

Gross casino wins as of 4/26/57, $651,284.

Casino wins less markers, $435,695.

Slot wins, $62,844.

Markers, $153,745.

Mike, $150 per week.

Jake, $100 per week.

L., $30,000.

H., $9000.

Slang for IOU.

A "marker" is gambling slang for an IOU. "Slot" was an obvious reference to slot machines. The word "casino" refers to a gambling house.

Continued on Page

Continued From Page One

Costello is known to have been a partner in a large, luxurious gambling casino outside New Orleans and in a lucrative slot machine business in Louisiana. Police believe he also had gambling interests in Las Vegas.

When the grand jury tried to get him to explain the note, Costello refused on the ground it might incriminate him with other agencies. These would include the Internal Revenue Service, which sent him to prison in 1955 for income tax evasion, and the Immigration and Naturalization Service, which is trying to deport him.

Costello served 11 months of the five-year sentence for tax evasion, then was released in $25,000 bail last March pending a Supreme Court appeal of his case.

Balks Twice.

After Costello balked twice before the grand jury yesterday, Judge Schurman sentenced him to 30 days in the workhouse, denied bail and turned down a defense lawyer's request for a stay of execution pending appeal.

The grand jury will question other witnesses today about the shooting incident. Meanwhile, police throughout the nation have been sent this description of the gunman:

"Male, white, 6 feet, 235 to 245 pounds, 30 to 35 years of age, low forehead, straight

fee

[redacted]

67C

CLIPPING FROM THE
N. Y. N.Y. WORLD TELEGRAM & SU

DATED MAY 8 1957

FORWARDED BY N. Y. DIVIS

P.1 NIGHT

RE: FRANK COSTELLO
TOP HOODLUM
COVERAGE

BUFILE -

62-A854-1

NOT RECORDED
44 MAY 21 1957

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black hair slicked down by pomade or tonic, heavy face and jowls, straight nose, thick lips, sallow complexion, heavy thighs, pot belly. Wears about a size 50 suit and waddles when he walks."

This description, quietly circulated by police here for the past few days, was placed on the police teletype system yesterday after it was confirmed by the cabbie who drove Costello from an East Side restaurant to his home, the Majestic Apartments, 115 Central Park West, last Thursday night.

Ambushed in Foyer.

Costello was ambushed in the foyer.

The cab driver reportedly got a good look at the gunman when he waddled out of the apartment house and sped from the scene in a dark-colored Cadillac driven by another man.

To protect the cabbie, police are keeping his name and address secret. Detectives have been assigned to guard him and his family.

Also being sought for questioning in the case is Costello's blonde girl friend, who disappeared from her Fifth Ave. apartment Sunday night.

0-19 (11-22-55)

GIR 1

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Gambler Silent on Attempt to Slay Him

Costello Sentenced to 30 Days in Jail For Refusing to Answer Grand Jury

NEW YORK, May 7 (AP) Frank Costello, gambler who has been described as the overlord of the underworld, received a 30-day workhouse sentence today for refusing to answer questions before a grand jury investigating his near-fatal shooting last Thursday night.

The one-time bootlegger and slot machine king was found guilty of contempt of court for scorning a judge's orders to tell the jury what it wanted to know about the shooting and about a paper found in Costello's pocket showing $651,284 in "take."

General Sessions Judge Jacob Gould Schurman handed Costello the sentence after the racketeer twice invoked the Fifth Amendment in appearances before the grand jury.

Schurman refused Costello's request for release on bond, and the underworld kingpin was led off to a Tombs prison cell.

The judge pointed out that Costello had been ordered to cooperate with the grand jury investigating "specifically whether there had been and still is a conspiracy to kill you."

"Well, at present I refuse," Costello said.

The judge then found him in contempt.

Assistant District Attorney Alfred Scotti told Schurman that the paper found in Costello's pocket after the shooting might have an important bearing on the investigation.

Scotti indicated that the figures on the paper represented gambling profits. He said the total broke down to $434,685 in "casino take," apparently from a gambling house; $62,844 in "slot take," apparently from coin machines, and $153,745 from "markets."

62-76543-1
NOT RECORDED
138 MAY 9 1957

N. Y. Journal American
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N. Y. Mirror
N. Y. Daily News
Daily Worker
The Worker
New Leader

Date 5-8-57

50 MAY 10 1957

Seek Attacker Of Costello in Midwest Cities

Police Believe Mob Ordered His Murder Over Bet on Fight

By PAUL MESKIL,
Staff Writer.

Police are convinced the gunman who tried to kill gangster Frank Costello was sent to New York from another city, probably in the Middle West.

With this in mind, a description of the tall, husky gunman has been sent to police departments in Chicago, St. Louis, Detroit and other cities.

Detectvies in those cities have been asked, unofficially to tap their underworld pipelines for rumors about last Thursday night's shooting, in which Costello escaped death because he turned his head as the gunman fired.

Grazed by Bullet.

Instead of plowing through his skull, the bullet merely pierced the skin above his right ear. But the gunman, apparently believing Costello was fatally wounded, fled without firing a second shot to make sure.

Investigators believe Costello knows why the assassination attemptwas made, but they are also convinced that the gunman was a stranger to him.

One report is that Costello was marked for death by a mid-western gambling syndicate, which decided it was cheaper to kill him than to pay him $150,000 he allegedly won on last week's Sugar Ray Robinson-Gene Fullmer fight.

Costello reportedly bet $50,000 on Sugar Ray at 3 to 1.

Headquarters for this gambling syndicate is Chicago, where Costello has many underworld contacts. But Chicago mobsters recently have been using triggermen from Detroit and St. Louis.

New York police are trying to find out what out-of-town mobsters were here when Costello was shot. A check of midtown hotels is being made to

Continued on Page Two

CLIPPING FROM THE
N. Y. ~~WORLD~~ TELEGRAM & SUN
DATED MAY 6 1957
FORWARDED BY N. Y. DIVISI
P.1 NIGHT

RE: FRANK COSTELLO
TOP HOODLUM
COVERAGE

BUFILE -

62-76543-11

NOT RECORDED
76 MAY 15 1957

61 MAY 16 1957

see if anyone answering the gunman's description checked out Friday. Garages and parking lots also are being canvassed in a search for the gunman's car.

The gunman made no attempt to hide from Costello or from several witnesses. As the boss mobster and a friend, Philip Kennedy, sat in a taxi outside Costello's apartment house, 115 Central Park West, the hired torpedo calmly walked past them and entered the foyer of the building, where he shot Costello a few minutes later.

Seen by Two.

After the shooting, he ran out past the doorman and Mr. Kennedy, bot hof whom got a good look at him. He escaped in a dark-colored Cadillac driven by another man.

Mr. Kennedy, a former professional model and semi-pro baseball player who now manages a modeling agency owned by millionaire Huntington Hartford, looked at hundreds of criminal photographs in the Police Department rogues' gallery over the weekend.

So did the doorman, Norvel Keith. But they failed to find any pictures of the gunman—described as 6 feet tall, about 210 pounds, about 35, wearing a dark suit and dark slouch-brim hat.

Deputy Chief Inspector Edward Byrnes hopes to find other witnesses, such as persons who were strolling along Central Park West when the gunman fled.

Chief Byrnes, commander of Manhattan West detectives, has appealed for the cab driver who drove Costello and Mr. Kennedy to the apartment house to come forward and tell what he knows about the shooting, if anything.

It is believed that the cabbie may have noticed the Cadillac following his taxi from the Monsignore Restaurant, in E. 55th St., where Costello and Mr. Kennedy got into the cab.

Will Check Records.

If the cabdriver does not come in voluntarily today, detectives will begin the long, hard chore of checking the trip sheets of several thousand New Yorkk hackies to find him.

The bullet which creased Costello's skull was examined by ballistics experts, but it was so flattened they could not tell if it matched bullets from other shootings. The ballistics men said it was a 38-caliber slug, fired either from a police-type revolver or from a Spanish gun similar to American weapons.

Despite the theory that an out-of-state gunman was imported for the shooting, the Federal Bureau of Investigation announced it has no jurisdiction and is not interested in the case.

Quiz Hundreds In Search for Costello's Foe

By Anthony Marino and Sidney Kline

Hundreds of witnesses have been questioned in the shooting of Frank Costello and hundreds more will be interviewed by detectives, police said yesterday.

Men and women in all levels of society, however remotely linked to the 65-year-old underworld chief, came in for quizzing. They included bigtime and smalltime gamblers, friends and relatives of Costello, night club associates, employes in the West Side apartment house in which Costello lives and respectable tenants of the building.

At the W. 54th St. station, probe headquarters, Deputy Chief Inspector Edward W. Byrnes, commander of Manhattan West detectives, reported:

"We are as far away from cracking this case as we were when the investigation started. More than a few hundred persons have been interrogated. More hundreds will be quizzed."

Costello Still Silent

The chief stumbling block, Byrnes conceded, was Costello himself. Costello continued to deny, suavely, that he knew anything about the crime except that he had been shot, said Byrnes.

"We don't know what the motive is," Byrnes went on. "But one door opened will lead to another door opened."

The deputy chief inspector confirmed that the gun used by the assailant, who creased Costello's skull in the foyer of the apartment house at 115 Central Park West where Costello lives with his wife, Loretta, was of .38 caliber—either similar to the type of weapon carried by policemen or a Spanish-type gun.

Call for Hackie

Byrnes again appealed to the cab driver who took Costello and Philip Kennedy, a theatrical talent agency executive, from the Monsignore restaurant to Costello's home just before the shooting, to step forward. The hackie has not been found, and the cops want to know what he knows.

"There's no reason why he should not show up," said Byrnes.

The official said that Kennedy had known Costello for about six months and that they had met at a bar. Kennedy, said Byrnes, once was a model, served in the Navy and was a shortstop and second baseman assigned to the Phillies farm clubs until a few years ago. Then they became associated with an agency providing modeling and entertainment talent.

Both police and the FBI said that the FBI had not intervened in the case. James J. Kelly, special agent in charge of the New York FBI, said there was "no federal jurisdiction" involved to bring the federal cops in.

Three days after the shooting, 60 detectives assigned to the case still worked around the clock, without days off.



Edward W. Byrnes
He's still hunting

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Wash. Star
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N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News 2
N. Y. Times
Daily Worker
The Worker
New Leader

Date MAY 6 1957

NOT RECORDED
76 MAY 9 1957

62-76543-A

50 MAY 10 1957

Costello

Warned,

CLIPPING FROM THE
N. Y. N.Y. WORLD TELEGRAM & SUN
DATED MAY 3 1957
FORWARDED BY N.Y. DIVISION
P.1- NIGHT.

RE: FRANK COSTELLO
GIIF
(TOP HOODLUM COVERAGE)
BUFILE: 92-

Cops Hint

92-765 13-
NOT RECORDED
44 MAY 10 1957

53 MAY 14 1957



Although he later tried to make a joke of it, Frank Costello showed more than a little fear after the shooting last night.

Racketeer Shot By Mystery Man In Lobby of Home

By PAUL MESKIL,
Staff Writer.

Police believe rackets king Frank Costello had advance warning he was marked for murder, but didn't know where or when the death try would be made, the World-Telegram and Sun learned today.

The murder mission was almost completed last night when a gunman ambushed Costello in the foyer of his apartment house and shot him in the head. But, the slug merely punctured the scalp and grazed the skull, coming oout through the band of his hat above his right ear.

The gunman apparently followed Costello home from the Monsignore, a restaurant at 61 E. 55th St. Carlo Nova, waiter captain of the Monsignore, told the World-Telegram and Sun that Costello was far from his usual calm, cheerful self as he sat with his wife and several friends.

'Rest of Party Stayed.'

"He seemed nervous and upset," Mr. Nova recalled after the shooting. "A few minutes before 11 he went to the pay phone at the end of the bar and made a call. He talked for a few minutes, then he hung up and left with another man. The rest of his party stayed."

Philip Kennedy, who described himself as a theatrical agent and head of a modeling agency, left the Monsignore with Costello and rode with him by cab to the gangster's home, the Majestic Apartments, at 115 Central Park W., from 71st to 72nd Sts.

Investigators believe the gunman and an accomplice were waiting for Costello outside the restaurant and followed his cab to the Majestic.

When the taxi stopped outside the 31-story apartment building, a black Cadillac pulled up behind it. The driver double-parked while his passenger, a tall, husky man in dark suit and dark hat, got out and hurried into the apartment hose.

Foyer Closed Off at Ends.

He waited for Costello in the foyer between the main entrance and the lobby. Large glass doors close off the foyer at both ends.

Costello said goodnight to Mr. Kennedy and then stepped from the taxi. Doorman Norvel Keith, on duty at the Majestic entrance, held the cab door for him and then hurried to open the apartment house door. As Mr. Costello entered the foyer and walked toward the lobby, the gunman fired.

Both Mr. Kennedy and the doorman heard the single shot and started towards the entrance as the gunman ran out, waving the gun at them. He jumped into the Cadillac and the black car sped north along Central Park W. Shades were drawn in the rear window of the car and the light was out above the rear license plate.

Holding a handkerchief to his bleeding scalp, Costello staggered into the lobby and sat down on a leather-covered bench as Mr. Kennedy rushed up to him and inquired: "Are you hurt, Uncle Frank?"

"Somebody tried to get me," the mobster croaked in his husky whisper. "Call a doctor."

Superficial Scalp Wound Treated.

The Majestic's night manager tried to get the house physician, but he was out. Mr. Kennedy then helped Costello into a taxi and took him to Roosevelt Hospital for treatment of the superficial scalp wound.

Detectives later found the flattened bullet, apparently from a 32-caliber gun, on the foyer floor. A round dent in the foyer's marble wall indicated the slug hit the wall and bounced off after creasing the gangster's skull.

Asked if he thought the shooting was the work

Continued on Page 2.

Costello Warned Police Believe

Continued From Page One

of a professional killer, Chief of Detectives James P. Leggett told reporters: "That's hard to say, but h came awfully close to the brain. Costello really thought he was badly hit at first."

Two hours after the murder attempt, a man phoned the World-Telegram and Sun and said Costello was shot because "he stepped on some good guys' toes."

Others Threatened.

"All I can say is that if Albert or Freddie steps in, they'll get it, too," the anonymous caller added before he hung up.

After he was patched up at the hospital, Costello was taken to the W. 54th St. police station for questioning by Chief Leggett and other high police officials. He was joined there by his lawyers, who declined to give newsmen his name but added this choice understatement:

"This is a matter in which Mr. Costello is not concerned, except that he was present when the gun went off."

'Wrong Guy.'

Costello himself issued the simple statement that: "They got me for a wrong guy."

Chief Leggett also quoted Costello as saying: "I don't know why they picked on me. I've not got an enemy in the world."

"That's a strange way to show friendship," the chief replied.

These events preceded the shooting:

Costello, his dark-haired wife, Estelle, and Mr. Kennedy entered the Monsignore about 10 p.m. They walked through the bar room to the dining room and were seated at the first table there. Costello sat facing the dining room entrance, where he could see all who came and went.

Makeup of Party.

In a few minutes, they were joined by Generoso Pope, publisher of the weekly tabloid New York Enquirer and son of the late Italian-language newspaper publisher and industrialist, Generoso Pope Sr. There was another woman at the table.

One of Mr. Pope's employees, Enquirer columnist John Miller, was at the bar with his wife and another woman. They were invited to the Costello table.

Costello drank a cup of coffee and five small glasses of anisette. The others drank scotch and brandy. The Costellos requested the orchestra —six violins, piano and bass viol — to play some Italian songs. When the music stopped Costello went to make his phone call. He and Mr. Kennedy left a few minutes later.

Costello said he felt tired and was going home to rest. But he told his wife to stay at the Monsignore and enjoy the rest of the evening.

Rubinstein Hangout.

The Monsignore is a quiet, expensive spot, a favorite rendezvous for people well known in cafe society, the entertainment world and, occasionally, the underworld.

It formerly was located in E. 60th St., across from the Copacabana, and was the main hangout of Serge Rubinstein, the evil genius of finance, before he was murdered. Shortly after the Rubinstein slaying the Monsignore moved to 55th St.

Monsignore host Jimmy Aufiero today told reporters he hadd known Costello for several years. But, last night was Costello's first visit to the restaurant since he was released from prison last March.

Mr. Aufiero and his employees said they did not see anyone follow Costello and Mr. Kennedy out of the Monsignore last night. The gunman and his driver apparently were waiting outside in their Cadillac.

Droves of Cops.

Police were'nt notified of the shooting until after Costello received first aid treatment at Roosevelt Hospital. But, as soon as they learned what had happened, bluecoats and detectives flocked to the hospital and the Majestic Apartments in droves.

They combed the street and sidewalks near the apartment building in search for the gun, but found nothing.

Detective Chief Leggett then threw a brass curtain of secrecy about the case. He ordered reporters and photographers out of the second-floor squad rooms in the W. 54th St. station, and he kept them waiting almost seven hours before he would issue any statement on the case.

A reporter asked him whether the shooting might be connected with the Joseph (Socks) Lanza parole case or the current Senate investigation of racketeering.

Snappish Answer.

"I told you what the man (Costello) said," Chief Leggett snapped. "I'm not going to tell you all the things we questioned him about."

Nor would he say anything about the persons he had questioned during the early morning hours.

"I'm not going to get a witness shot," he declared.

Asked his theory of the shooting, the detective boss said: "It got a feeling the gunman thought he had hit Costello where he wanted to, and didn't think a second shot was necessary."

Call to Lawyer.

Chief Leggett said the phone call Costello made in the Monsignore was to a lawyer in Philadelphia. Costello was expecting another phone call from his attorney in Washington at his apartment about 11 p.m., Mr. Leggett added.

When Costello entered the apartment building, Chief Leggett continued, "he went down the two steps in the foyer and at the bottom he heard a noise like a firecracked. He said he felt weakness above the ears. He put his hand up and saw it was blood."

GIR 1

Who Tried to Kill Frank Costello?

Cops Race Gangsters in Manhunt

By

CLIPPING FROM THE
N. Y. N.Y. POST
DATED MAY 3 1957
FORWARDED BY N. Y. DIVISION

P.5- 7 SPORTS.

RE: FRANK COSTELLO
GIIF
TOP HOODLUM COVERAGE

BUFILE: 94-

62-76543-A
NOT RECORDED
195 MAY 17 1957

67 MAY 20 1957



Associated Press Photo
... hospital.



GENEROSO POPE JR.
An evening with a friend

MALCOLM LOGAN

A huge force of detectives today was trying to catch the gunman who wounded Frank Costello, before the gambler's underworld friends could get to him.

Sixty detectives, headed by six superior officers, were assigned to the case—an unprecedented number for a shooting in which the victim got a mere flesh wound.

One high police official admitted that a primary reason for this concentration of manpower was apprehension lest Costello's associates deal out their own brand of justice to the hunted man if they found him first.

Costello, 65, and ill but still a feared figure in the racket world, was ambushed from behind at 10:55 last night in the vestibule of the Majestic Apartments, 115 Central Park W., near 72d St., where he has lived for years.

The one bullet fired at him creased his head and the assailant fled so quickly, apparently in a waiting car, that police had only the most meager description of him.

Chief of Detectives James B. Leggett said that Costello insisted he had no idea why anyone should have tried to kill him and that the police had no evidence pointing either to the identity of the gunman or to his motive.

But they could think of many reasons why someone might have dared go gunning for the man who has been called a top leader of syndicated crime and the arbiter of gangland disputes. Among the possibilities they were exploring were these:

¶There may be some connection between the shooting and two investigations of the tieup between the rackets and politics here—the inquiry into Joseph (Socks) Lanza's parole-violation case and the Senate investigation of gangland control in some labor unions.

¶The attack might have grown out of one of Costello's own business deals.

¶Some underworld group might have objected to one of his decisions and tried to put him out of the way.

¶His associates might have feared that Costello, facing deportation proceedings, might make a deal to tell at least part of what he knows in order to remain in the U.S.

¶The shooting might have grown out of a purely personal animosity against him.

Leggett quoted Costello as saying, "I haven't an enemy in the world."

"Whoever this guy was, he has a very strange way of showing his friendship," Leggett commented dryly.

Leggett, who spent most of the night at the W. 54th St. police station questioning nearly everybody who had been with Costello during the evening prior to the shooting, refused to give the names of any witnesses or to say what Costello was questioned about.

"I'm not going to get a witness shot," he said.

Just before the attempted killing—the gunman evidently thought had succeeded—Costello had been with a party at the plush Monsignore Restaurant, 61 E. 55th St.

He was accompanied from there to the apartment house in which he has a luxurious apartment on the 18th floor facing Central Park, by Philip Kennedy, of 320 W. 76th St., an executive of the Hartford Model Agency.

Kennedy Questioned

Kennedy, who reached Costello a moment after the shooting, was

Continued on Page 52

Continued from Page 5

questioned for hours during the night and then at 7:30 a.m. taken to the police station for further interrogation.

Kennedy was questioned for hours last night and then at 7:30 this morning was taken again to the W. 54th St. Station, center of the investigation. Again he was interrogated for a long time.

Others brought in for questioning today were Frank Mario Bonfiglio, described as in the linen supply business; Sam Miseveth, the taxi driver who took Costello to the hospital, and Mr. and Mrs Al Miniaci.

Miniaci, who is in the jukebox business, was Costello's host at dinner before the shooting. Bonfiglio sat at a table with the party later in the Monsignore.

Costello and Kennedy left the party at the Monsignore before any of the other guests. Costello told police he had gone home because he was expecting an 11 o'clock telephone call from Edward Bennett Williams, his Washington attorney.

"I have no information on the attack," Williams said later. "I know nothing."

But he took an early-morning plane here from the capital.

Costello has been in other trouble—with various branches of the government—for six years. He served 14 months for contempt of Congress when he refused to answer questions for the Senate crime investigating committee, served 11 months of a five-year sentence for income tax evasion before he was released in bail, and is fighting deportation proceedings.

Police had only the vaguest description of the man who followed Costello into the apartment house vestibule, fired once at him and fled.

He was described as a big man about 6 feet tall, weighing 225 pounds, between 30 and 35, dressed in dark clothes. Equally difficult to identify was the car which he used for his bungled job. It was a dark-colored 1952 or 1953 Cadillac, possibly a hardtop model.

Chief Leggett was unwilling to say whether he thought the gunman was a professional, but he said apparently the man "thought he got Costello."

Theb ullet which hit Costello was found in the vestibule, flattened from hitting the marble wall. Leggett said it was a .38 probably fired from a Colt.

The only person who saw the gunman was Norvel Keith, the doorman on duty at the Majestic when Costello and Kennedy arrived.

He told police that, as Costello got out of the cab, the black Cadillac drew up behind it and double-parked.

"Keith started into the street,' Leggett said, "but Costello was already out of the cab."

Costello entered the double glass doors of a vestibule about 20 feet long leading to the elaborately furnished main lobby of the towering 31-story apartment building.

Midway along this vestibule there are two steps down. At the end are two more heavy glass doors leading into the lobby.

"Costelo went down the two steps, and at the steps he heard a noise that sounded like a firecracker," Leggett said. "He said he felt wetness abovet he ear. He put his hand up and saw it was blood."

"He heard no footsteps behind him and when he turned he saw no one in the entrance. The glass outer door, which was partly open, began closing."

Leggett said that when the was fired Keith still was on the sidewalk and Kennedy was driving away in the cab.

"Keith had observed a man leave the dark car and enter the lobby right behind Costello," he said. "He heard the shot while he was outside.

"As he reached the entrance, a man with a revolver in his hand came out the door. He told Keith to get out of the way and the doorman stood there, stunned. The doorman doesn't know how the man with the gun left."

The single bullet fired at Costello passed through the hatband of his brown fedora, struck his head above the left ear, went under the scalp, and emerged near the right ear. It did not pierce his skull.

Costello was able to push open the heavy doors to the lobby, but inside he slumped on a backless leather chair.

Kennedy, who had also heard the shot, told police he got a glimpse of a dark Cadillac passing south on Central Park W. as he called to his driver to stop. He ran back into the house to Costello's side and cried:

"Are you all right, Uncle Frank?"

"Somebody tried to get me," Costello rasped in his voice hoarsened years ago by cancer of the throat.

"Get a doctor."

Keith tried to reach several doctors in the building, but failed, and then called a cab in which Kennedy took Costello to Roosevelt Hospital.

He was given emergency treatment there and his head was X-rayed. He was still there at 11:30 when the hospital notified police of the shooting, and detectives were sent to Roosevelt.

Costello, his head swathed in gauze and an elastic bandage, walked out of the hospital to a police car after midnight and was taken to the W. 54th St. station, where the investigation centered.

Before the police were notified, Kennedy telephoned the Monsignore and told the other members of Costello's party what had happened.

Mrs. Costello was taken to the hospital to see her husband and was later questioned by police.

While other members of Costello's party were questioned at length, Mrs. Costello was allowed to leave early. At home in their seven-room apartment, she said:

"I really don't know what happened. I wasn't there. I'm too nervous to talk."

Costello walked briskly out of the hospital, his brown suit spotted on the shoulder with blood, the collar of his white shirt blood-soaked.

"I don't see nothing," he told reporters. **"I feel fine."**

Later, when he left the station at 4:50 a.m. with his attorney and two detectives, he was asked if he knew who had shot him.

"I don't know," he rasped. **"They got me for the wrong guy."**

Chief of Detectives Leggett, after questioning Costello and most of the persons who had been with him at the Monsignore, gave this account of the events preceding the shooting:

Costello and his wife were Miniaci's guest for dinner at the L'Aiglon Restaurant, 13 E. 55th St.

In the party were Mrs. Miniaci, Mr. and Mrs. Costello, Kennedy, Generoso Pope Jr., John J. Miller, a columnist for the New York Enquirer, which Pope owns, and Mrs. Cindy Miller, the newspaperman's wife.

After dinner they moved on to the Monsignore, a place which boasts such patrons as the Duchess of Windsor and John D. Rockefeller III, who had been there before Costello and his friends arrived.

The Monsignore, opened in 1956, cost $100,000 to decorate, with a sculpfured bar and handsome murals.

Jimmy Anfuso, manager of the restaurant, said the party entered about 10 p.m. They ordered 29 drinks, and most of them drank Scotch. That is Costello's favorite tipple, but last night he had only two anisettes and coffee.

While Costello and his friends were there, members of the party asked the orchestra of six violins, a piano and a bass fiddle to play half a dozen tunes, most of them sentimental Italian songs.

Shortly before he left, Costello made a telephone call from a telephone booth. He told Leggett it was to an attorney in Philadelphia.

At 10:40 he said he was going home because his Washington attorney, Williams was to telephone him there at 11, but he suggested that his wife remain with the party. Kennedy said he had to get home and went along with him.

Kennedy's wife, questioned at her home, asked a reporter:

"Why all this fuss? The guy only got a scratch on the head. "My husband could lose his job over this. His job involves people whose names shouldn't be mentioned."

Mrs. Kennedy, who was at home with her two children while her husband was dining with Costello, said they were "frien

"Costello is just somebody my husband knew," she said. **was just a coincidence. He dropping him off on his home."**

GIIF

Who Shot Frank Costello?

A Mystery to Him and Cops

CLIPPING FROM THE
N. Y. N.Y. POST
DATED MAY 3 1957
FORWARDED BY N. Y. DIVISION
P.5- NIGHT EXTRA.

RE: FRANK COSTELLO
GIIF
(TCI HOODLUM COVERAGE)

BUFILE: 94-

162-7[illegible]-A
NOT RECORDED
199 MAY 17 1957

67 MAY 20 1957



Frank Costello, his head bandaged, hurries out of police station with reporters at his heels.

Post Photo by Pomerantz

By CARL J. PELLECK and JOSEPH

Frank Costello, the sick and aging man who was once a major power in the underworld, was recovering today from an attempt to assassinate him, but the police were completely mystified by the shooting.

Chief of Detectives James B. Leggett said Costello said he did not know why a gunman creased his head with a bullet at 10:55 p.m. in the lobby of the Majestic Apartments, 115 Central Park West, near 72d St.

They themselves had no idea who the assassin was, nor did they have any idea of the motive behind the shooting.

But they were exploring these four possibilities:

¶One of his mysterious business deals went wrong, and the loser decided to collect by taking Costello's life.

¶His old associates feared that Costello, facing deportation, might tell what he knows about them in a deal to remain in the U. S.

¶ The gunning might have been done at the instigation of a jealous friend of the gambler.

¶ There might have been a possible connection between the shooting and the parole-violation case of Joseph (Socks) Lanza, now under investigation by the legislative "watchdog" committee.

Leggett quoted Costello as saying, "I haven't an enemy in the world."

"Whoever this guy was, he has a very strange way of showing his friendship," Leggett commented dryly.

Leggett, who spent most of the night at the W. 54th St. police station questioning nearly everybody who had been with Costello during the evening prior to the shooting, refused to give the names of any witnesses or to say what Costello was questioned about.

"I'm not going to get a witness shot," he said.

At 8 a.m., a black sedan believed to have been used by the gunman was found abandoned at 43 E. 74th St., police reported. Fingerprint experts were summoned to examine the vehicle.



Associated Press Photo

Costello leaves hospital

Just before the attempted killing—the gunman evidently though had succeeded—Costello had been with a party at the plush Monsignore Restaurant, 61 E. 55th St.

He was accompanied from there to the apartment house, in which he has a luxurious apartment on the 18th floor facing Central Park, by Philip Kennedy, of 320 W. 76th St., an executive of the Hartford Model Agency.

Kennedy Questioned

Kennedy, who reached Costello a moment after the shooting, was questioned for hours during the night and then at 7:30 a.m. taken to the police station for further interrogation.

Costello had gone home, he told Leggett, because he was expecting a telephone call from Edward Williams, his Washington attorney.

"I have no information on the attack," Williams said later. "I know nothing."

But he took an early morning plane here from the capital.

Costello has been in other trouble—with various branches of the government—for six years. He served 14 months for contempt of Congress when he refsed to answer questions for the ESenate crime investigating committee, served 11 months of a five-year sentence for income tax evasion before he was released in bail, and is fighting deportation proceedings.

All the circumstances of the ambush indicated that the gunman was a professional, though a not very adept one, since at a

Continued on Page 52

Mrs. Costello



GENEROSO POPE JR.
An evening with a friend

Continued from Page 5

range of 10 or 15 feet he merely creased Costello.

The car sed was a black limousine indistinguishable from thousands of cars on the city's streets. The rear light over the license plate was out. A second man was at the wheel, ready for a split-second getaway.

Costello, returning from the Monsignore with Kennedy, got out of his cab and stood on the sidewalk in front of his apartment house, talking with Kennedy for a few minutes.

Norvel Keith, the doorman on duty, told police he noticed the black Cadillac as it drew up behind the cab and double-parked, but he paid no attention to it.

Costello walked past the doorman through the open outer door to the lobby. He walked about 15 feet to an inner door, beyond which are two steps leading down to the lobby.

"As he got to the inner door and was just about to go down the two steps, he heard a noise like a firecracker and put his hand up and felt a wetness above his ear and found it was blood," Chief of Detectives Leggett said.

"He heard no footsteps behind him and when he turned he saw no one in the entrance. The glass outer door, which was partly open, began closing."

Keith said that just after Costello entered the building, the tall, heavy-set gunman jumped from the parked limousine, hurried in after him and fired one shot at the back of his head.

Then the man turned, waving his gun at the terrified doorman, ran to the car, and in a few seconds had escaped.

The single bullet fired at Costello passed through the hatband of his brown fedora, struck his head above the left era, went under the scalp, and emerged near the right ear. It did not pierce his skull.

Costello staggered into the lobby and slumped on a leather-covered seat.

Meanwhile Kennedy, who had just started away in the cab when he heard the shot, ran back and cried:

"Are you all right, Uncle Frank?"

"Somebody tried to get me," Costello rasped in his voice, hoarsened years ago by cancer of the throat.

"Get a doctor."

Keith tried to reach several doctors in the building, but failed, and then called a cab in which Kennedy took Costello to Roosevelt Hospital.

He was given emergency treatment there and his head was X-rayed. He was still there at 11:30 when the hospital notified police of the shooting, and detectives were sent to Roosevelt.

Costello, his head swathed in gauze and an elastic bandage, walked out of the hospital to a police car after midnight and was taken to the W. 54th St. station, where the investigation centered.

Before the police were notified, Kennedy telephonel the Monsignore and told him the other members of Costello's party what had happened.

Mrs. Costella was taken to the hospital to see her husband and was later questioned by police.

Costello walked briskly out of the hospita, his brown suit spotted on the shoulder with blood, the collar of his white shirt blood-soaked.

"I didn't see nothing," he told reporters. "I feel fine."

Later, when he left the station at 4:50 a.m. with his attorney and two detectives, he was asked if he knew who had shot him.

"I don't know," he rasped. "They got me for the wrong guy."

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Calls Phila. Attorney

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Kennedy's wife, questioned at her home, asked a reporter:

"Why all this fuss? The guy only got a scratch on the head.

"My husband could lose his job over this. His job involves people whose names shouldn't be mentioned."

Mrs. Kennedy, who was at home with her two children while her husband was dining with Costello, said they were "friends."

"Costello is just somebody that my husband knew," she said. "It wos just a coincidence. He was dropping him off on his way home."

At his apartment at 135 E. 74th St., Pope said he had dinner at the L'Aiglon with the Millers and there met the Costellos and Kennedy. He said the meeting was not prearranged.

After dining, the group decided to go elsewhere for a night cap, Pope said.

"We walked up the block," he said, "and the first place we came to was the Monsignore."

Despite statements by several witnesses that the group included three women, Pope insisted that only Mrs. Costello and Mrs. Miller were with the party.

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Frank Costello Wounded By Hit-and-Run Gunner

NEW YORK, May 3 (AP).—Gambler Frank Costello was shot and slightly wounded last night in what police described as "an apparent attempt at assassination."

Costello, 65, was fired on almost point-blank b ya gunman as he entered the lobby of his Central Park West apartment house.

After the gunshot nicked his scalp, Costello—often called the "numbe rone mystery man" of the American underworld and political scene—cried:

"Somebody tried to get me."

The bullet struck Costello near the left ear, furrowed under the scalp partway around the back of the headand emerged close to the right ear. Later in the apartment house lobby police found what appeared to be a flattened .32-caliber bullet.

No Injury to Skull

Blood flowing from his wound, Costello was taken by taxicab tto nearby Roosevelt Hospital, where X-rays disclosed no damage to the skull. Treated fo rthe superficial wound, he then was then escorted to the West Fifty-fourth street police station for questioning.

The shooting occurred about 11 p.m., shortly after Costello arrived by car at his apartment residence accompanied by William Kennedy, a theatrical agent. The pair had just left Costello's wife Estelle and Generose Pope, owner of an Italian-language newspaper, at an upper East Side restaurant.

Pete Keith, doorman of the plush apartment house, said Costello was just leaving Mr. Kennedy and entering the building when a black sedan stopped at the turb. Mr. Keith said a heavy-set man about 6 feet tall rushed by him and into the lobby.



FRANK COSTELLO
Grazed by Bullet
—AP Wirephoto

Fired From 15 Feet

The gunman fired while about 15 feet from Costello, the doorman said, then dashed past him to the black sedan, which raced off.

Costello testified in 1952 during televised hearings of the Senate Crime Committee headed by Senator Kefauver.

On the sand, he admitted he had been a gambler and bootlegger, but said that in recent years he had been a retired "investor." He was powerful in Prohibition era rum running, and assertedly in New York politics. Some have termed him the former "slot machine king."

Convicted on Gun Charge

The Sicilian-born Costello had been convicted 40 years ago for illegally carrying a gun. After the Senate hearings he was convicted of contempt of the crime committee and served a year at Milan, (Mich.) Federal prison.

On 1954 he was convicted of evading $28,532 in Federal Income Taxes. He began a five-year prison term last May but was released on $25,000 bail last March.

Wash. Post and Times Herald
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Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
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Date MAY 3 1957

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Detectives Query Hundreds in Hunt For Costello Clew

Police Net Cast Over Broadway

Gambler Stays Indoors All Day

By Richard C. Wald

A police dragnet was spread throughout the city yesterday in an attempt to haul in a man, a scrap of information or a stray remark that could provide a clew in the murder attempt on Frank Costello Thursday night.

Small-time hoodlums and Broadway gamblers, waiters and bartenders, shoe-shine boys and elevator men—any one who might have had anything to do with the sixty-six-year-old gambler last week or a year ago were among hundreds of persons questioned by detectives. In a word, the "heat" was on.

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Have Only Started

Deputy Chief Inspector Edward W. Byrnes, commanding a squad of sixty-six detectives from the W. 54th St. station, said that his men have only started, and "hundreds more" will be questioned before they are through.

"We don't know what the motive is, and it's a long, tedious job of ascertaining it," he added, but "one door opened will lead to another door opened," and somewhere along the line the man who tried to kill Costello in the vestibule of his apartment house at 115 Central Park West is going to be implicated.

The questioning is being done "in the field." It goes on in bars, hotels, restaurants and East Side corners where those who know Costello might gather. It takes in men and women whose names the police prefer not to reveal.

He Stays Indoors

Through it all yesterday, the short, dark-haired racketeer stayed inside his six-room apartment on the eighteenth floor of the Majestic Apartments.

He had the permission of the police to go for a walk in Central Park—with two policemen in attendance—but didn't bother.

He also didn't bother to answer charges by Chief of Detectives James B. Leggett that he "was lying when he said he didn't see the gunman" who tried to shoot him at about 11 p. m. Thursday. One of his lawyers said yesterday, "I think Mr. Costello is going to stay out of that."

The police are convinced that Costello knows why he was shot at and possibly who did it. He says he hasn't an enemy in the world. The police have a mashed slug, a round dent in a brown-and-white marble wall, and a story of a big, fast gunman with

Continued on page 16, column 7

(Continued from page one)

a car and an accomplice to prove that Costello has at least one enemy.

The slug was identified yesterday as a .38 caliber, possibly from a police-type pistol or from a Spanish revolver that throws the same size bullet.

As the search for the missing gunman goes on, probably at the same time the underworld is seeking him, the police also hunted the taxi driver who brought Costello and his companion, Philip J. Kennedy, to the front door of the racketeer's apartment house the night of the shooting.

Mr. Kennedy, who was in the cab when the shooting occurred, ran into the building when he heard a shot. The cabby apparently drove off. It is believed he may fear the consequences of coming forward and telling what he knows of the man who did the shooting or the car he got away in.

Mr. Kennedy, too, has been the subject of an intensive investigation. Inspector Byrnes reported yesterday that he was once a model, served in the Navy, played professional baseball afterward, and met Costello only about six months ago. He is now manager of a model agency.

No additions were made yesterday to the theories for the shooting. Whether it was done at the order of a betting syndicate which owed Costello money, or at the instigation of "the young crooks" trying to make room at the top of the executive ladder of the underworld, or by "some crackpot" as Costello himself has suggested, no one could say. Nor would they comment on the other theories.

The District Attorney's office, which had been rumored preparing a warrant to hold Costello as a material witness, disclaimed any such intention at the moment.

Costello's lawyers were as uncommunicative as he was. Millard Bennet Williams, a Washington attorney who represents Costello in his tax-evasion case before the government, said yesterday that he was in New York Friday, talked to his client about the tax case "and I can't say any more."

The Federal Bureau of Investigation, mentioned as a possible interested party in the attempted assassination, stated through its New York office, "There is no Federal jurisdiction and therefore we are not interested in the Costello shooting."

One police official summed it all up as "a day of the hardest, most monotonous kind of police work." If Costello would talk, he said, there wouldn't be any problem. The police could probably get to the gunman before the men who hired him kill him to keep him from talking or some one else kills him for shooting at Costello.

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Mr. Tolson
Mr. Nichols
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

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WPSY

(COSTELLO)

NEW YORK--FRANK COSTELLO, "RETIRED" UNDERWORLD KING, WAS SHOT IN THE HEAD BY A WOULD-BE ASSASSIN LAST NIGHT IN THE LOBBY OF HIS APARTMENT BUILDING. THE BULLET, SLOWED BY HIS HAT BAND, DID NOT PENETRATE HIS SKULL.

THE ASSAILANT, SEEN CLEARLY BY AT LEAST THREE PERSONS, LEAPED INTO A WAITING CADILLAC AND FLED.

"I HAVEN'T AN ENEMY IN THE WORLD," COSTELLO TOLD POLICE WONDERINGLY AS HIS SCALP WOUND WAS DRESSED AT ROOSEVELT HOSPITAL.

"I DIDN'T SEE NOTHING," HE TOLD NEWSMEN WHEN HE EMERGED FROM THE HOSPITAL. "IT FEEL FINE."

5/3-7:01PM

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138 MAY 9 1957

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WASHINGTON CITY NEWS SERVICE

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Bullet Grazes Scalp

Gambler Costello Shot and Wounded By Gunman in Ambush Near Home

NEW YORK, May 2 (AP)—Gambler Frank Costello suffered a grazing bullet wound of the scalp tonight in what police called "an apparent attempt at assassination."

The shooting occurred in the lobby of Costello's apartment house at 115 Central Park West, a plush Manhattan area, police said.

He was treated at Roosevelt Hospital, and was scheduled for quick discharge.

Officers said Costello's wife and William Kennedy, a theatrical agent, were with him at the time of the shooting. They said they had just come by taxi from a restaurant on East 55th st. where they had had dinner with Generoso Pope, publisher of an Italian-language paper, when the shooting occurred.

Detectives quoted Costello as saying that he, his wife and Kennedy were just passing through the building's street door into the lobby when he felt a sting above his right ear, then a quick flow of blood.

All three told police they heard no shot and did not see the gunman. After a few moments they went to the hospital by taxi.

Doctors said the bullet took a freakish course: It evidently struck him at the left ear, burrowed under the scalp and part way around the back of his head, and emerged close to the right ear.

They said X-rays showed no damage to the skull.

Costello, 65, who has been described as one of the most powerful figures in national gambling and racketeering circles, was convicted in 1954 of evading $28,532 in Federal income taxes. He began a five-year prison term last May, but was released on $25,000 bond.

He was freed by the Supreme Court pending a ruling on whether the law under which he was convicted provides a maximum sentence of only one year. An earlier bid for freedom on bail pending his appeal was denied by a U. S. Court of Appeals.

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Date MAY 8 1957

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HIGH COURT FREES COSTELLO ON BAIL

He and Texas Gambler Are Released in Appeal on Conflict in Tax Code

Frank Costello was released from prison here yesterday on order of the United States Supreme Court after he had posted $25,000 bail.

The 65-year-old gambler had served eleven months of a five-year term imposed after his conviction for evading $28,532 in income taxes for 1948 and 1949.

Last January the court agreed to review the sentence. Edward Bennett Williams, Costello's attorney, contended that the gambler should have been sentenced under a section of the Internal Revenue Code that specifies the evasion as a misdemeanor. Instead, he was sentenced under a section that declares evasion is a felony.

Mr. Williams said that as a misdemeanor the sentence could not have been more than $1,000. In addition to the five-year term imposed on the gambler, he was fined $20,000.

The question before the Supreme Court is of concern not only to the Government but also to those convicted of income tax evasion and serving felony sentences. It was pointed out that the Government stood to lose or refund thousands of dollars imposed as fines under the felony section. Felony fines range up to $10,000 on each count of an indictment.

In requesting bail from the Supreme Court, Mr. Williams said that if his position was upheld Costello would have completed his one-year term after ten months in prison. He took into consideration time off for good behavior.

In addition to granting bail to Costello, the Supreme Court also fixed $25,000 bail for Benny Binion, a Texas gambler, who had received a like prison sentence for income-tax evasion.

No date has been set for argument of Costello's case before the Supreme Court. However, the same question has been presented by a Chicago gambler and a hearing has been set in this case for the week of April 29. The decision in this case would affect both Costello and Binion.

Action Called Unusual

Mr. Williams, who rushed from Washington to New York with a copy of the release order, said that the granting of bail in this instance had no precedent.

In granting its order, the Supreme Court said: "Pending final determination of this question, we think petitioner is entitled to bail, the Government having presented no adequate reason why bail should not be granted."

Costello's income-tax evasion [illegible] was upheld by the Court. The matter it now, however, is collateral issue that pertain only to the type of sentence imposed.

Costello, who said he has been suffering with a cold for three months, was taken from the Federal House of Detention, 427 West Street, to the chambers of Federal Judge Thomas F. Murphy. He was turned free at 6:1 P. M. after a bond had been posted.

Costello, who also suffers from a heart condition, said he has lost fifteen pounds in prison. He said he was going home to his wife Loretta. They live at 11 Central Park West.

Since he was retained by Costello, Mr. Williams successfully defeated a Government move to denaturalize and deport the gambler. He has brought an action to set aside the tax evasion conviction on the ground that the Government's evidence was tainted by illegal wire-tap evidence. This matter has been deferred until after the Supreme Court's decision in the pending case.

In the event that Costello loses his latest legal move, he will return to prison to serve the remainder of his five-year term.

Mr. Tolson
Mr. [illegible]
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Mr. Tamm
Mr. Trotter
Mr. Nease
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Mr. Holloman
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U. S. Pushes Effort To Deport Costello

NEW YORK, Feb. 22 (AP).—The Federal Government has renewed its attempt to revoke the citizenship of gambler Frank Costello as a prelude to deportation proceedings.

A denaturalization case against the 65-year-old Costello was thrown out of Federal court last September 28. At that time Federal Judge Edmund L. Palmieri ruled the Government's case rested mainly on wiretap data, which he termed "inadmissible and tainted."

In its motion yesterday to reinstate the case, the Government contended the wiretapping was done by New York authorities under State law and that Federal officials were not involved.

A hearing has been scheduled for Tuesday on a motion by Costello for a new trial in a tax case. Costello was convicted of evading $28,532 in Federal income taxes for 1948 and 1949 and is serving a five-year term. He has contended the conviction was based upon "contaminated evidence" including wiretaps.

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Date FEB 22 1957

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Mr. Tolson
Mr. Nichols
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Mr. Belmont
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Nease
Tele. Room
Mr. Holloman
Miss Gandy

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JP125
(COURT)
THE SUPREME COURT TODAY AGREED TO DECIDE WHETHER TOO STIFF A PRISON SENTENCE WAS IMPOSED ON NEW YORK UNDERWORLD LEADER FRANK COSTELLO FOR INCOME TAX EVASION.

IN OTHER MAJOR ACTIONS TODAY, THE COURT:

1. ORDERED A NEW TRIAL FOR NEW YORK UNION LEADER BEN GOLD, WHO WAS CONVICTED IN 1954 OF LYING WHEN HE SWORE IN A NATIONAL LABOR RELATIONS BOARD AFFIDAVIT THAT HE WAS NOT A COMMUNIST. THE COURT RULED 6 TO 3 THAT GOLD'S TRIAL WAS INVALID BECAUSE FBI AGENTS, CHECKING UP ON A RELATED CASE, INADVERTENTLY QUESTIONED THREE MEMBERS OF GOLD'S JURY DURING THE TRIAL.

2. GRANTED A ONE-MONTH EXTENSION, THROUGH FEB. 28, OF ITS EMERGENCY AUTHORIZATION FOR THE ARMY ENGINEERS TO DIVERT 7 TO 8,500 CUBIC FEET OF WATER PER SECOND FROM THE GREAT LAKES INTO THE DROUGHT-STRICKEN ILLINOIS-MISSISSIPPI WATERWAY.

3. DENIED A HEARING TO JOHN ALLEN AND LOUIS J. SMITH, INMATES OF A CALIFORNIA STATE PRISON. THEY FACE DEATH FOR THE 1949 MURDER OF A FELLOW PRISONER. THEY CLAIM THAT TWO OTHER PRISONERS HAVE CONFESSED THE CRIME BUT THE EVIDENCE WAS SUPPRESSED BY THE STATE.

4. STRUCK DOWN A RULING BY THE IDAHO SUPREME COURT WHICH BARRED A LOCAL RETAIL CLERKS UNION FROM PICKETING A STORE IN POCATELLO, IDA. THE COURT CITED PREVIOUS RULINGS THAT STATE COURTS HAVE NO JURISDICTION OVER DISPUTES WHICH ARE SUBJECT TO THE NATIONAL LABOR RELATIONS BOARD.

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Supreme Court to Study Frank Costello Sentence

The Supreme Court today agreed to decide whether too stiff a prison sentence was imposed on New York underworld leader Frank Costello for income tax evasion.

Costello, serving a five-year sentence for understating his income from 1947 thru 1949, claims he was sentenced under the wrong Federal law and asked the Court to rule that he should have been punished under a different statute which puts a one-year limit on jail terms.

The High Court, which previously upheld Costello's 1953 conviction, will schedule arguments on the new legal point later this year and then hand down a decision.

In other major actions today, the Court:

• Ordered a new trial for New York union leader Ben Gold, who was convicted in 1954 of lying when he swore in a National Labor Relations Board affidavit that he was not a communist. The Court ruled 6 to 3 that Mr. Gold's trial was invalid because FBI agents, checking up on a related case, inadvertently questioned three members of Mr. Gold's jury during the trial.

• Granted a one-month extension, thru Feb. 28, of its emergency authorization for the Army engineers to divert up to 8500 cubic feet of water per second from the Great Lakes into the drought-stricken Illinois-Mississippi waterway.

• Denied a hearing to John Allen and Louis F. Smith, inmates of a California State Prison, who face death for the 1949 murder of a fellow prisoner. They claim that two other prisoners have confessed the crime but the evidence was suppressed by the state.

• Struck down a ruling by the Idaho Supreme Court which barred a local retail clerks union from picketing a store in Pocatello, Idaho. The court cited previous rulings that state courts have no jurisdiction over disputes which are subject to the National Labor Relations Board.

Ruled 7 to 2 that the Government is open to damage suits stemming from the negligence of Forest Service fire fighters. The Justice Department had urged against such a decision. It said the United States might some time be held liable for the destruction of an entire town or city thru a forest fire. (IP)

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Miss Gandy

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WP116

(COSTELLO)

THE SUPREME COURT AGREED TO DETERMINE WHETHER TOO HARSH A PUNISHMENT WAS METED OUT TO NEW YORK RACKETEER FRANK COSTELLO IN 1953 FOR INCOME TAX EVASION.

THE CASE INVOLVES AN IMPORTANT QUESTION OF TAX LAW WHICH THE GOVERNMENT, AS WELL AS COSTELLO, WANTS DECIDED.

THE COURT WILL SCHEDULE ARGUMENTS ON THE ISSUE -- PERHAPS NEXT TERM -- AND LATER WILL HAND DOWN A WRITTEN OPINION.

THE SICILIAN-BORN GAMBLER, NOW 65, IS SERVING A FIVE-YEAR PRISON TERM FOR UNDERSTATING HIS INCOME TAX FROM 1947 THROUGH 1949. HE ALSO DREW A $20,000 FINE. THE SUPREME COURT UPHELD HIS CONVICTION LAST MARCH.

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Costello Assails Sentence, Asks Supreme Court Review

By Frank R. Kent Jr.
Staff Reporter

Frank Costello, former king-pin gambler, has asked the Supreme Court to hear his argument hat his sentence, for income tax evasion, of five years in prison and $20,000 in fines is illegal.

The gambler contends that he should have been sentenced under a staute providing a maximum of one year in jail or fine of $1000 or both.

The issue is whether a general provision dealing with any means of tax evasion, or a more specific one applying to false returns and carrying a lesser penalty, should have governed the case.

Costello's attorneys have raised a question the Department of Justic would like to have clarified by the high tribunal. Solicitor General J. Lee Rankin says the Government will not oppose the gambler's petition for a review. But Rankin made clear in his brief the Justice Department does not agree with the contentions by Costello's lawyers.

The Supreme Court last March upheld an affirmation of the gambler's conviction by the U. S. Second Circuit Court of Appeals in New York. This time, Costello's atorneys, including Edward Bennet Williams, of Washington, are asking for review of a dismissal of the lower courts of a motion for correction of the sentence.

Costello began serving his sentence last May. Williams said yesterday if the high court should agree with the arguments, the gambler would be eligible for release next month.

The Costello brief say the statute under which he was sentenced is too broad in its phrasing and the more specific one with lesser penalties should have taken precedence.

The Justice Department brief disagrees. But, it says the question concerning the two statutes has been left undecided by the high court, and is being raised with "increasing frequency in the lower courts."

"It may be assumed," the Justice Department brief said, that until definitively resolved by this court, the question will continue to be litigated in the lower courts."

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COSTELLO SEEKING TAX CASE RETRIAL

Gambler Wants Conviction Set Aside Because of Use of Wiretap Material

Frank Costello moved yesterday in Federal Court to set aside his conviction for income tax evasion and to get a new trial. He is serving a five-year prison term.

Edward Bennett Williams, counsel for the 65-year-old gambler, contended that the Government's evidence in the tax evasion case tried in 1954 was contaminated by the use of wiretaps. Evidence obtained from wiretaps is inadmissible in Federal Court.

Mr. Williams represented Costello in his denaturalization case, which was thrown out on the ground that the Government's evidence was tainted by the use of wiretaps. The Government is appealing.

Mr. Williams charged that Costello's telephone was tapped from 1943 to 1954 by District Attorney Frank S. Hogan. He said that information obtained by use of the wiretapping had been turned over to the Government for use in the prosecution of the gambler.

In addition, Mr. Williams said that conversations between Costello and three of his attorneys, Joseph Leary Delaney, George Wolf and Leo Fennelly, had been monitored by Mr. Hogan's office.

In an affidavit, Costello, who was brought from the Federal penitentiary at Atlanta, said that not until earlier this year was he aware that "wiretaps had been used by Federal agents to gain information" for preparation of his tax trial.

Federal Judge John F. X. McGohey set Feb. 13 for a hearing. Mr. Williams said he had several witnesses to prove his contention. The motion was opposed by Assistant United States Attorney Arthur Christy.

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CLIPPING FROM THE N.Y. TIMES
N. Y. DEC 18 1956
DATED
FORWARDED BY N. Y. DIVISION
P. 64 LATE CITY

RE: FRANK COSTELLO
(TOP HOODLUM COVERAGE)

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Costello Charges Illegal 11-Year Wiretaps by DA

Everything he said on the phone, even to his lawyers, was illegally wiretapped for a period of 11 years, gambler Frank Costello charged Monday in a bid for freedom from his conviction on Federal income tax charges.

SEEKING A NEW trial, the 65-year-old Costello, who is serving a five-year term for evading $28,532 in taxes, claimed he was not aware until this year that his line was tapped. He accused District Atorney Hogan's men of the wiretap and said they turned all they heard over to the Federal tax men.

Costello's attorney, Edward Bennett Williams, said he could prove the extensive wiretapping by calling witnesses, and Federal Judge McGohey set Feb. 13 for a hearing on the motion for a new trial.

District Attorney Hogan's office bypassed the argument, at least for the moment. "This is an argument in Federal Court," said a Hogan spokesman, "and under the circumstances it would be most improper for us to make any comment with respect to it."

* * *

A GOVERNMENT effort to denaturalize and deport Costello was tossed out of court last September because a judge found wiretap evidence had been used.

Williams, in an affidavit, told the Federal court, "As a result of my investigation in the denaturalization proceeding I began to suspect that considerably more extensive wiretapping of the defendant's telephone had been undertaken by the office of the New York District Attorney than appeared from the records." He said the tap lasted from 1943 to 1954.

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(COSTELLO)
GAMBLER FRANK COSTELLO, ALREADY IN FEDERAL CUSTODY FOR INCOME TAX DIFFICULTIES, HAS ASKED U.S. TAX COURT TO THROW OUT INTERNAL REVENUE SERVICE CLAIMS THAT HE OWES $36,293 IN BACK TAXES AND PENALTIES FOR 1952, 1953 AND 1954.
COURT RECORDS SHOWED TODAY THAT THE NEW YORK UNDERWORLD FIGURE, NOW AWAITING OUTCOME OF COURT LITIGATION FROM INCOME TAX EVASION CHARGES FOR 1946 THROUGH 1949, DENIED IN HIS APPEAL TO TAX COURT THAT HE OWES ANYTHING FOR 1952, 1953 AND 1954.
INTERNAL REVENUE CLAIMS COSTELLO OWES $13,999 FOR 1952, $11,991 FOR 1953, $9,353 FOR 1954 AND $949. AS A PENALTY FOR THE "SUBSTANTIAL UNDERESTIMATION" OF HIS 1952 INCOME.
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Symbol of the Underworld

Frank Costello

WHEN the United States Government just in attempt pestering to denaturalize Frank Costello, he responded to congratulations with a poker-faced: "That's the law of averages." However, Costello, as befits one of the nation's most notorious gamblers, has not been averse to trying to influence the law of averages, or any other law that might benefit him.

His careful studies of the averages have won for him a variety of titles ranging from "Prime Minister of the Underworld," to the late Mayor Fiorello H. La Guardia's terse description "bum."

Until recent years, the 65-year-old Costello, knowing that laws could hurt him, used to hold considerable political power in Tammany Hall. Aware since his boyhood in Lower Manhattan that loose talk could make trouble, he has always carefully guarded alleged criminal affiliations from investigators.

Perhaps most important, the man often accused of ruling one of the most lucrative racketeering realms in the nation had outmaneuvered his opponents inside and outside the law by great organizational talent and the vision to strive for outward respectability.

Costello's long drive for social acceptability has been as much a sincere desire as a clere method to divert attention from activities that might embargos him in polite society.

As part of his plan he has invested heavily in real estate and in the liquor industry. He has learned to dress as quietly as his hoarse voice. He has developed a fondness for golf and a disdain for jewelry. He has entertained at the best hotels.

But part of his appeal has been a natural charm, unexpected from this grim-faced man with the strong nose, hard mouth and deep-set eyes. He is an amusing raconteur who delights in telling stories in which he behaved foolishly.

One of his pet anecdotes concerns a gambler who once asked him for a tip on a horse. Costello suggested a nag he was sure would lose. The horse, a long shot, won.

Another appealing facet of this virtual symbol of sinister gangsterism is his conviction that charity should be practiced on a large scale and anonymously. There is reason to believe he has made enormous contributions to orphanages.

Law enforcement agencies, however, have been more concerned about his business than his charity. Since the Thirties, when Mayor La Guardia linked him with the slot machine racket, Costello has known few periods of legal immunity.

Nevertheless, until convicted for contempt in 1952, a year after he walked out on the Senate Crime Committee pleading a sore throat, Costello had been jailed only once. That was in 1915 for carrying a gun. At that time he gave his name as Frank Severio. In other arrests he gave other names and his true name is a matter of doubt in public records.

Much of his early life is as vague as his business. It is generally believed he was born in Cotenza, in the Calabria region of Italy, and came to this country when he was about 4 years old. As a boy he worked in his father's fruit store. His formal education is not believed to have extended beyond grammar school.



The New York Times

Strives for respectability.

Although he showed promise as a criminal in his adolescence, Prohibition apparently established him as a junior executive of the underworld. There seems little doubt that rum-running brought him a sizeable capital for shrewd gambling and also enabled him to exercise obvious organizational ability.

When Prohibition died, Costello, unlike many colleagues who were unable to adjust to new ways, took advantage of the expanding popularity of the slot machine by investing in that business in large areas of the country. He was quick to realize that violence should be avoided.

Life, for all the dangers of the underworld, seemed serene for Costello as his power grew in Tammany Hall and he was consulted on local judgeships. He learned from the misfortunes of others. When Al Capone was found guilty of tax evasion, partly because he wrote checks, Costello stopped writing checks. He often carried thousands of dollars in his pockets and paid bills in cash.

Despite this precaution, his most feared laws—Federal and averages—turned on him. He is now serving a five-year term for tax evasion.

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Costello Wins U. S. Case, Beats Deportation Move

Court Bars Wiretap Evidence

Prosecutor Says He Will Appeal

By Milton Lewis

"Extensive" wiretapping by law officers caused a Federal judge yesterday to toss out of court the government's denaturalization case against Frank Costello. The judge also reprimanded the prosecutor in regard to the taps.

"This verdict makes me feel better already," observed the sixty-five-year-old former rum runner, gambler and kewpie-doll salesman, who has been complaining of a heart condition. "By the law of averages, I was bound to win this one."

Judge Edmund L. Palmieri dismissed the case without prejudice. This means that the government can renew its attempt in United States District Court to strip Costello of his citizenship which, he said on Thursday, "I cherish." United States Attorney Paul W. Williams immediately announced he would appeal the decision, which vitiates any deportation move.

"Poisonous Tree"

Under Federal law, any Federal case which stems in any way from what Associate Justice Felix Frankfurter of the United States Supreme Court described in the prevailing opinion in the 1939 Nardone case as "a fruit of the poisonous tree"—wiretapping—must fall. The espionage conviction of Judith Coplon was reversed because of this "poisonous tree."

Judge Palmieri said in part:

"The wiretapping was so extensive and of such a far-reaching nature that it is well nigh impossible for me to determine what may be admissible and untainted from that which is inadmissible and tainted.

"Indeed, it appears to me that the use (of wiretaps) so clearly vitiated the alleged admissions by the defendant from the standpoint of their use as evidence in this court that all of the testimony can be said to comprise parts of a continuous process in which all this record becomes affected by the illegality."

May Fight Tax Case

Costello, who is currently serving a five-year term for tax evasion, raised the wiretap points through his counsel, Edward Bennett Williams, of Washington, who said he may move to have the tax evasion conviction set aside on the same ground—wiretap evidence.

The defense maintained that the government had obtained evidence in the denaturalization case stemming from several taps on Costello. One was said to have involved his office at 405 Lexington Ave. in 1925, when Costello was indicted for bootlegging. The indictment was dismissed.

Judge Palmieri disclosed that he had made a long-distance call to William Edward Stevenson, now president of Oberlin College, Oberlin, Ohio, and learned from him that wiretaps

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Costello

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had been used at the Lexington Ave. address. Mr. Stevenson was an Assistant United States Attorney in 1925 and was part of the prosecution staff in the bootlegging case.

Prosecutor Objects

Assistant United States Attorney Alfred P. O'Hara, in charge of the denaturalization case, objected to Judge Palmieri that he did not have the opportunity to cross-examine Mr. Stevenson and others named by Mr. Stevenson as having had some connection with the government in the bootleg case.

Judge Palmieri took umbrage at this and noted with some heat:

"I think it was your duty, not mine, to make that investigation. I undertook to do what I could to find the basis of these (defense) allegations after your repeated denials, that you had no information except hearsay statements." This was a reference to the 1925 taps.

After Mr. O'Hara emphasized he had made no misstatement to the court on the basis of his knowledge, Judge Palmieri said he could not understand why Mr. O'Hara objected about the lack of opportunity for cross examination.

Your Duty, Not Mine

"It was not my duty to find whether the evidence was free of legal taint—it was yours," the court noted dryly.

The judge reprimanded Mr. O'Hara, who is head of the civil division in the Southern District, at another point. This was during the court's discussion of the documents which the government offered as good cause for bringing the denaturalization proceeding.

Three of these had to do with the 1950-'51 Kefauver Senate Crime Investigating Committee hearings and two with the 1943 revelation by District Attorney Frank S. Hogan of the circumstances surrounding the naming of Supreme Court Justice Thomas A. Aurelio as the Democratic candidate for that post. A phone conversation between Costello and Justice Aurelio had been tapped.

Judge Palmieri noted that one document was described by Mr. O'Hara as a secret immigration file on Costello.

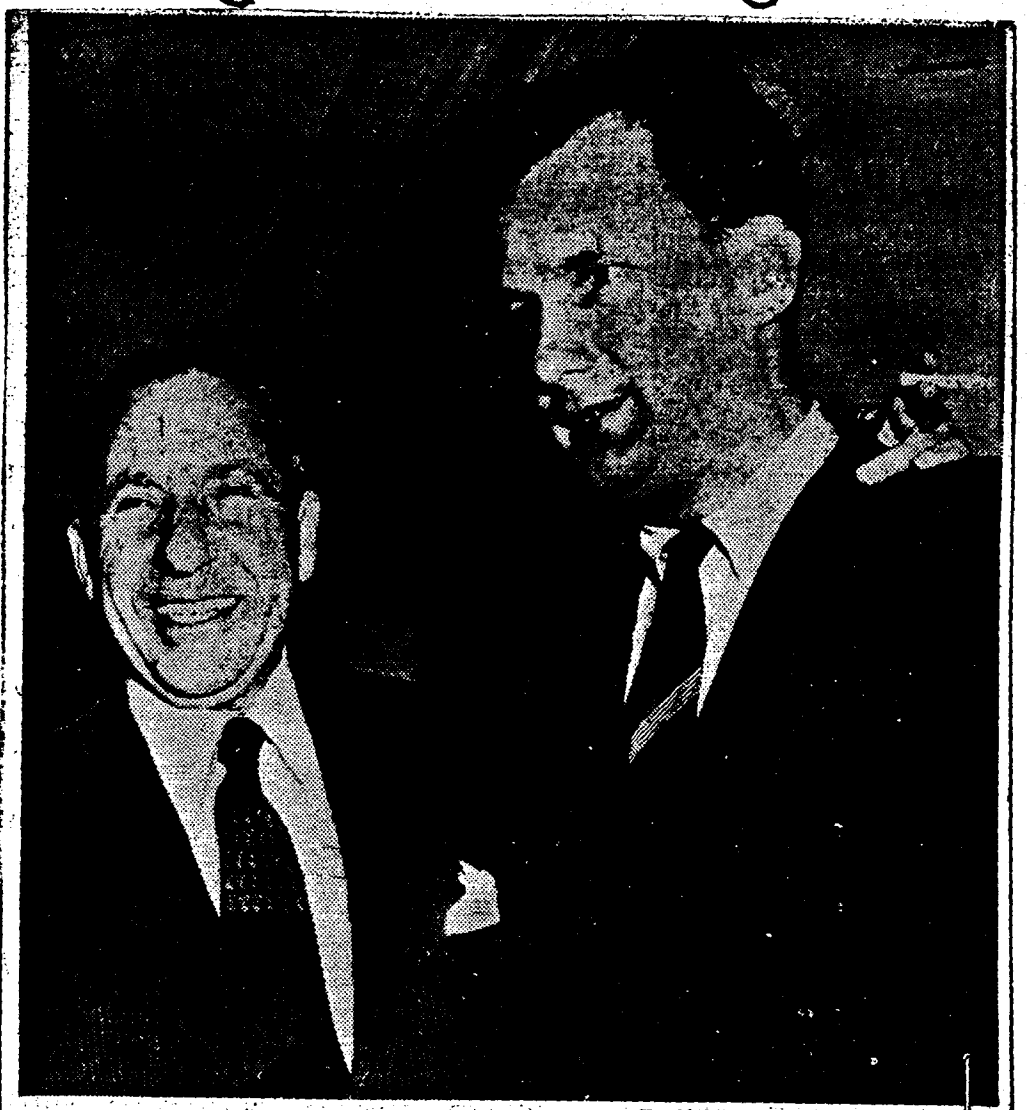
"It is astounding to me that you would keep it from the scrutiny of the court," the judge said. "You prevented me from looking at a document on the ground you needed higher authority. You can get that authority for another court!"

Judge Palmieri said there was an obvious extensive use of wire-taps and commented that the "virus" of the taps began in 1925 and ran through the case ever since. He specifically noted that it ran through the Kefauver committee hearing. The judge said that a member of that committee specifically referred to a future denaturalization hearing.

Judge Offers Advice

Judge Palmieri directed that if the government renews the denaturalization case against Costello, it should make every effort to demonstrate that its evidence is free of taint and stressed that the government must assume the burden for all the evidence it may present.

Costello, having scored a victory, was then removed to Federal Detention Headquarters to continue serving his five-year term for tax evasion. This conviction has been upheld by the United States Supreme Court.



Herald Tribune photo by James Kavalline

"I WAS BOUND TO WIN THIS ONE"—Frank Costello, left, commenting on his victory after leaving Federal Court yesterday. With him is his counsel, E. B. Williams.



Herald Tribune—Engels

DISMISSED CASE—Judge Edmund L. Palmieri.

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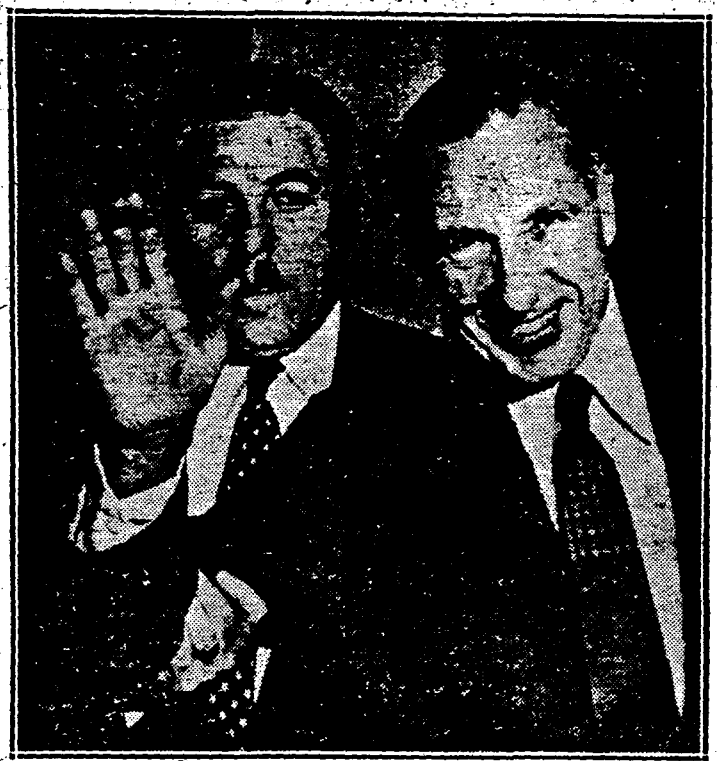
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Costello Beats Deportation; U.S. Used Tap

By Norma Abrams and Sidney Kline

The government's deportation case against one-time gambling czar Frank Costello was thrown out of court yesterday by Federal Judge Edmund L.



(NEWS foto by Hal Mathewson)

Gambler Frank Costello happily waves to camera after the government's denaturalization proceeding was thrown out of Federal Court yesterday.

Palmieri. To deport Costello, the government first had to take away his citizenship. It sought to do so by charging that his naturalization was obtained by fraud.

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But the case went down the drain because Palmieri was satisfied that the evidence against Costello stemmed from wiretraps. Evidence so tainted is inadmissable in Federal Court.

Costello, 65, and a heart patient, grinned broadly at the court's action. He commented: "By the law of averages, I was bound to win this one."

Costello added: "This makes me feel better."

Earlier in the week he had tried to avoid taking the witness stand on the ground that because of a heart ailment his life might be periled.

Ordered to testify Thursday, he answered questions for about 30 minutes before counsel got into a hassle over the wiretaps which eventually gained a victory for the defense.

May Reopen Tax Case

Elated at the triumph, defense attorney Edward B. Williams said he was exploring the possibility of fighting the income tax conviction against Costello, also on the grounds that wiretaps figured in the case.

Last June Costello began serving a five-year prison sentence for cheating the government on taxes.

In dismissing the denaturalization case, Palmieri said he acted "without prejudice" — meaning that the U. S. could try again.

U. S. Attorney Paul W. Williams and his assistant, Alfred P. O'Hara, said an appeal would be taken.

Palmieri's action came after an hour of discussion in which the judge more than once upbraided O'Hara.

Proceedings had bogged down Thursday because of defense counsel's attack on asserted wiretaps.

Judge Phones

O'Hara that day denied that references to wiretaps were contained in the admittedly incomplete records on a 1925 bootlegging indictment against Costello —an indictment which eventually was dismissed.

Palmieri reported yesterday that he had talked by phone with William Edward Stevenson, now president of Oberlin (Ohio) College, who was involved in the 1925 prosecution, and with Philip McGlynn, a retired detective, who worked on the case.

Extensive Use

Both told him wiretaps were used, Palmieri said.

"The wiretapping was so expansive and of such a far-reaching nature that it is well nigh impossible for me to determine what may be admissible and untainted from that which is inadmissible and tainted," said the judge.

"I therefore grant the motion to dismiss this proceeding, without prejudice to the government."

Prosecutor Protests

O'Hara protested that Palmieri had reached a decision without giving the government a chance to cross-examine Stevenson and McGlynn. Palmieri darkened.

"I think it was your duty, not mine, to make that investigation," he snapped.

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U.S. Case Based on Taps'

Costello Wins; He Remains a Citizen

By MILTON CHERNIN

Government proceedings to deprive gambler Frank Costello of his citizenship were dismissed Friday by Federal Judge Palmieri on grounds that the case rested on documents containing references to wiretaps and that such evidence was not admissable.

The 65-year-old Costello, who knows a thing or two about odds, exclaimed: "By the law of averages I was bound to win this one."

THE OPINION of Judge Palmieri opened up the possibility that Costello's attorney, Edward B. Williams, now would attempt to set aside Costello's conviction for income tax evasion on the ground it also was obtained by wiretaps. Asked about this prospect on behalf of his client who is serving five years on the tax conviction, Williams said:

"I have that in mind."

Judge Palmieri tossed out the case "without prejudice," which means that the government can reopen denaturalization proceedings.

U. S. Attorney Paul Williams said he would appeal immediately.

In announcing the dismissal, Judge Palmieri said:

"The wiretapping was so extensive and of such a far-reaching nature that it is well nigh impossible for me to determine what may be admissable and untainted from that which is inadmissable and tainted."

* * *

THE GOVERNMENT primarily based its case on records of the 1950-51 Senate Crime Investigating Committee, a 1943 N. Y. County grand jury inquiry, a hearing into the nomination of Judge Thomas Aurelio to the State Supreme Court, and a confidential government immigration file.

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Costello Pleads He Can't Take the Stand

By Norma Abrams and Henry Lee

Supporting himself in apparent weakness against the clerk's desk and his voice barely audible, a thin, pale Frank Costello pleaded dramatically in Federal Court yesterday that he could not take the witness stand because of "terrific pain."

Judge Edmund L. Palmieri promptly summoned a heart specialist, who failed to bear out the contention of the 65-year-old gambler. But Costello still balked.

With the issue of whether he'll testify still unresolved, the denaturalization proceedings were adjourned early. At 10:30 A. M. today, his counsel will announce Costello's "decision" on taking the stand.

Rules on Uncharted Law

Costello's first balk came after Palmieri had overruled a defense motion that his testimony would force Costello to be a witness against himself.

"I realize with a heavy heart I am treading on sensitive and uncharted ground," the judge said in rejecting the defense's Constitutional arguments.

Assistant U. S. Attorney Alfred P. O'Hara then called the gambler's name, and Costello walked slowly toward the witness stand. At the clerk's desk he paused, propping his elbow on it, and to Judge Palmieri said:

"Your Honor, I cannot take the stand. I am not physically fit. It's all I can do to sit here. I cannot even concentrate. I am in terrific pain. I cannot concentrate."

Examined in Court House

The racketeer walked back to his chair, sat down and gulped two pills.

After conferring with O'Hara and Costello's lawyer, Edward B. Williams, the judge arranged to have Costello examined at the clinic in the court house by the head cardiologist of Beekman-Downtown Hospital.

The doctor's name was not disclosed then or later, but Judge Palmieri said the doctor had found no reason why Costello couldn't take the stand under conditions previously laid down by a prison physician. These were that Costello not be subjected to more than 40 minutes of questioning and that he be given rests whenever he asked.

However, Williams promptly pleaded for adjournment so that he could fully advise Costello as to his rights.

Costello is now serving a five-year term for income tax evasion.



Frank Costello
He'll decide today

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Costello Fights Exile, Prefers Jail in U.S.

(SPECIAL TO THE DETROIT NEWS)

NEW YORK, Sept. 26. — Racketeer Frank Costello, fighting denaturalization proceedings here, seeks the right to stay in American hoosegows.

At 65, an age when retirement is mandatory in many industries other than his own, Costello was brought yesterday to a federal courthhouse from his quiet retreat in the U.S. Detention House. The hearings then were halted temporarily pending a decision as to whether Costello can be forced to testify against himself.

Costello's attorney, Edward B. Williams, contended such a move would not be constitutional. As in a criminal case, he argued, Costello is entitled to immunity under the Fifth Amendment.

But Assistant U.S. Attorney Alfred P. O'Hara said the proceedings do not involve a criminal penalty. He compared them to a civil suit.

NO PRIOR RULING

Federal Judge Edmund L. Palmieri said he knew of no prior court ruling governing a similar situation.

Williams said the government's case was "polluted beyond salvation by the illicit use" of more than 500 wiretaps of Costello's phone.

The government contends Costello obtained naturalization in 1925 through "fraud, deceit, misrepresentation and lies."

Costello, suffering from throat cancer, appeared pale and drawn in court. His attorney said he suffered a mild heart attack Thursday.

If Costello loses this case, the next likely step will be a government move to deport him to his native Italy, possibly nevering the five-year stretch he is serving for federal income tax violations.

Williams, Costello's counsel, is the brilliant 36-year-old Washington lawyer who defended Senator McCarthy (R-Wis.) in Senate censure hearings. He is defending Costello at the urging of a high official of the American Civil Liberties Union.

Costello was transformed from mystery man into national celebrity during Kefauver crime hearings. When he refused to be televised while testifying, TV cameras watched his nervous hands.



FRANK COSTELLO

Costello later served 18 months for contempt of the committee.

The government denaturalization case makes these points:

1. Costello allegedly had mental reservations about the 18th Amendment (prohibition) when he took an oath to uphold the U.S. Constitution and acquired citizenship Sept. 10, 1925.

2. He was not entitled to citizenship because of his record of "liquor bootlegging, federal and state income tax violations, large-scale gambling activities, conspiracy to bribe prohibition agents."

3. He misrepresented his occupation and that of his character witnesses as "real estate." It is alleged all were in fact bootleggers.

4. He concealed his arrest record (assault, robbery, grand larceny) and his conviction for carrying a concealed gun.

MOST ARE DEAD NOW

The defense will stress that just about everyone connected with Costello's naturalization is dead now, including the judge, clerk, examiners and witnesses. There are no minutes or stenographic records of the proceedings.

During the hearing there may be an exhuming of Costello's part in the nomination by Tammany leaders of State Supreme Court Judge Thomas A. Aurelio.

While police listened over a wire tap, Aurelio thanked Costello for getting him the job.

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AIR 6

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3-1

Costello Beats a Rap

More than five years have passed since the Kefauver Crime Committee in one of the first big TV spectacles, put the spotlight on Frank Costello, "Underworld Prime Minister." In that time Costello has:

Served a fourteen-month prison sentence for contempt of the Senate for refusing to answer some committee questions.

Started serving a five-year sentence for failure to pay part of his income taxes.

Fought an effort by the Federal Immigration Service to revoke his citizenship on grounds that it was fraudulently obtained in 1925 when he failed to disclose a 1915 conviction for possessing firearms.

Last week, the denaturalization case came up in Federal District Court in New York. Before the trial really got under way, Judge Edmund L. Palmieri dismissed the suit against Costello because the evidence introduced by Government attorneys had been procured by wire-tapping and such evidence is not admissible in Federal courts.

U. S. Attorney Paul W. Williams said he would appeal the court's decision but it looked as if Costello has beaten the attempt to strip him of his citizenship. As he was being led back to the Federal House of Detention to finish serving out his tax-evasion sentence, Costello observed: "By the law of averages, I was bound to win this one."

CLIPPING FROM THE

N. Y. Times

DATED 9-30-56

FORWARDED BY N. Y. DIVISION

RE: FRANK COSTELLO
GIIF
(TOP HOODLUM COVERAG

BUFILE 92-

EDITORIAL

92-76513A
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138 OCT 5 1956

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Underworld Symbol

Frank Costello



The New York Times

Strives for respectability

WHEN the United States Government lost its attempt yesterday to denaturalize Frank Costello, he responded to congratulations with a poker-faced: "That's the law of averages." However, Costello, as befits one of the nation's most notorious gamblers, has not been averse to trying to influence the law of averages, or any other law that might benefit him.

His careful studies of the averages have won for him a variety of titles ranging from "Prime Minister of the Underworld," to the late Mayor Fiorello H. La Guardia's terse description "bum."

Until recent years, the 65-year-old Costello, knowing that laws could hurt him, held considerable political power in Tammany Hall. Aware since his boyhood in Lower Manhattan that loose talk could make trouble, he has always carefully guarded alleged criminal affiliations from investigators.

Perhaps most important, the man often accused of ruling

CLIPPING FROM THE

N. Y. Times

DATED 9/29/56

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RE: FRANK COSTELLO
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BUFILE 94-

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OCT 8 1956

one of the most lucrative racketeering realms in the nation had outmaneuvered his opponents inside and outside the law by great organizational talent and the vision to strive for outward respectability.

Costello's long drive for social acceptability has been as much a sincere desire as a clever method to divert attention from activities that might embarrass him in polite society.

As part of his plan he has invested heavily in real estate and in the liquor industry. He has learned to dress as quietly as the whisper of his hoarse voice. He has developed a fondness for golf and a disdain for jewelry. He has entertained at the best hotels.

But part of his appeal has been a natural charm, unexpected from this grim-faced man with the strong nose, hard mouth and deep-set eyes. He is an amusing raconteur who delights in telling stories in which he behaved foolishly.

One of his pet anecdotes concerns a gambler who once asked him for a tip on a horse. Costello suggested a nag he was sure would lose. The horse, a long shot, won.

Another appealing facet of this virtual symbol of sinister gangsterism is his conviction that charity should be practiced on a large scale and anonymously. There is reason to believe he has made enormous contributions to orphanages.

Law enforcement agencies, however, have been more concerned about his business than his charity. Since the Thirties, when Mayor La Guardia linked him with the slot machine racket, Costello has known few periods of legal immunity.

Nevertheless, until convicted for contempt in 1952, a year after he walked out on the Senate Crime Committee pleading a sore throat, Costello had been jailed only once. That was in 1915 for carrying a gun. At that time he gave his name as Frank Severio. In other arrests he gave other names and his true name is a matter of doubt in public records.

Much of his early life is as vague as his businesses. It is generally believed he was born in Cosenza, in the Calabria region of Italy, and came to this country when he was about 4 years old. As a boy he worked in his father's fruit store. His formal education is not believed to have extended beyond grammar school.

Although he showed promise as a criminal in his adolescence, Prohibition apparently established him as a junior executive of the underworld. There seems little doubt that rum-running brought him a sizable capital for shrewd gambling and also enabled him to exercise obvious organizational ability.

When Prohibition died, Costello, unlike many colleagues who were unable to adjust to new ways, took advantage of the expanding popularity of the slot machine by investing in that business in large areas of the country. He was quick to realize that violence should be avoided.

Life, for all the dangers of the underworld, seemed serene for Costello as his power grew in Tammany Hall and he was consulted on local judgeships. He learned from the misfortunes of others. When Al Capone was found guilty of tax evasion, partly because he wrote checks, Costello stopped writing checks. He often carried thousands of dollars in his pockets and paid bills in cash.

Despite this precaution, his most feared laws—Federal and averages—turned on him. He is now serving a five-year term for tax evasion.

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Costello Case Thrown Out

NEW YORK, Sept. 28 (AP).—Federal Judge Edmund L. Palmieri today dismissed a Government proceeding to take away Gambler Frank Costello's citizenship.

Judge Palmieri threw out the case "without prejudice"—meaning that the Government may renew the proceedings.

United States Attorney Paul W. Williams announced an appeal would be taken.

Judge Palmieri ruled that the Government's case rested on documents containing references to wiretaps, and that use of such evidence is not admissable in Federal proceedings.

Newsmen asked Edward B. Williams, Costello's attorney, if there were a possibility he now would attempt to set aside Costello's conviction for income tax evasion on the ground it also was obtained by wiretaps.

"I have that in mind," the attorney said.

Costello is serving a five-year sentence on the income tax conviction.

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Wash. Post and Times Herald
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SW 3-1

Judge Puts Costello on Stand

By JOSEPH COTTER

Protesting that he was a "very ill" man, gambler Frank Costello took the stand for the first time today in the Federal Court denaturalization proceedings against him.

"Your honor, my condition hasn't changed," Costello, who is serving a five-year term for tax evasion, told Judge Palmieri.

"I am very ill and I cherish my citizenship. The sentence that I am under in my condition is equal to a life sentence. I still want to retain my citizenship and will do everything I can——."

The Judge ordered Costello to go to the witness stand after reporting that two physicians had examined him and found him physically able to testify.

One of the doctors was a cardiologist, the Judge noted. Costello had complained in recent months that he had a heart all-

CLIPPING FROM THE
N. Y. N.Y. POST
DATED SEP 27 1956
FORWARDED BY N. Y. DIVISION
P.3- 7SPORTS
RE: FRANK COSTELLO
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BUFILE: 94-

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NOT RECORDED
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ment.

Costello is accused of obtaining his citizenship in 1925 through "fraud and deceit." If found guilty, he would face deportation to his native Italy.

The gambler's attorney, Edward B. Williams, renewed his obpections to Palmieri's order for Costello to testify. He based his ibjections partly on his client's physical condition, partly on the thesis that the order violated Costello's right not to testify against himself in a criminal proceeding.

The government has agreed that the case is a civil one, not crimina

Unde questioning by Asst. U. S. Atty. O'Hara, Costello testified that he earned his living between 1920 and 1925 by trading in kewpie dolls, Eskimo pies and real estate. The doll and pie busiultnmatley went bankrupt, he said.

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Costello Seeking Delay in Trial

Imprisoned gambler Frank Costello was to ask United States District Judge Edmund L. Palmieri today to grant a one-month adjournment of his denaturalization case set for Sept. 4.

Yesterday, Judge John F. X. McGohey rejected Costello's appeal to reduce the five-year term he now is serving for U.S. income tax evasion to one year.

CLIPPING FROM THE

N. Y. N.Y. WORLD TELEGRAM & SU

DATED AUG 23 1956

FORWARDED BY N. Y. DIVISION

P. 7 NIGHT

RE: FRANK COSTELLO
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P 3 1

COSTELLO TERM UPHELD

Gambler Loses Bid to Have Sentence Cut 4 Years

Federal Judge John F. X. McGohey denied yesterday a motion by Frank Costello to reduce his five-year prison sentence for income tax evasion.

The 65-year-old gambler contended that his crime was a misdemeanor and that the maximum sentence could not exceed one year. He is now serving the five-year term.

Today Federal Judge Edmund L. Palmieri will hear a motion by the gambler to adjourn for one month the latter's denaturalization case scheduled to begin Sept. 4. Costello contends that he is suffering from a heart ailment and is not able to stand trial.

CLIPPING FROM THE
N. Y. N.Y. TIMES
DATED AUG 23 1956
FORWARDED BY N. Y. DIVISION
P. 23 LATE CITY

RE: FRANK COSTELLO
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Costello Wins Stay of Trial

Judge Edmund L. Palmieri, in United States District Court yesterday granted Frank Costello a nineteen-day stay of his trial for denaturalization, from Sept. 5 to 24, on grounds that he is physically unable to stand trial and that he has been so ill for the last month that he could not assist his lawyers in preparing a defense.

The sixty-five-year-old gambler, now serving a five-year sentence for evading $28,532 in income taxes, asked for a thirty-day postponement. Judge Palmieri heard the motion for postponement Thursday when four physicians testified and medical records relating to Costello were made part of the record.

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191 AUG 29 1956

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Date AUG 25 1956

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3 NEW YORK TIMES,

ILL COSTELLO ASKS TRIAL BE DELAYED

Affidavit Says He Has Active Heart Trouble—Gambler Faces Denaturalization

Frank Costello filed a petition in Federal Court yesterday seeking a one-month adjournment of his denaturalization trial. He said he had an "active coronary disease."

The 65-year-old gambler is scheduled to go on trial Sept. 4. He is in the Federal House of Detention here serving a five-year term for income tax evasion. He contended he was physically unable to stand trial.

Costello's attorney, Edward Bennett Williams of Washington, said that Dr. Eugene Fierro, the prison physician, had recommended that the gambler be "forthwith hospitalized." Federal Judge Edmund L. Palmieri set Thursday for a hearing on the petition.

Mr. Williams stated in an affidavit that Dr. Fierro had said that Costello "is a very sick man."

"He told me that the defendant has an active coronary disease and that he should be hospitalized," the lawyer added. He told me that he had seen the defendant daily and that, upon suspecting that as a result of external and objective symptoms the defendant had heart trouble, he had an electrocardiogram made and that the cardiogram showed myocardial damage."

The affidavit also said: "He told me that it would be dangerous for the defendant to go through a court proceeding prior to hospitalization and therapy for this condition."

The denaturalization case is based on Costello's alleged failure to list a criminal conviction in obtaining his citizenship in 1925. He was born in Italy.

N. Y. TIMES

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Costello Seeks To Delay Trial

Frank Costello, who is serving a five-year prison term for income tax evasion, filed a petition yesterday in United States District Court for a one-month postponement of his denaturalization trial, scheduled to begin Sept. 4.

His attorney, Edward Bennett Williams, of Washington, said Costello is physically unable to stand trial and, on the recommendation of Dr. Eugene Fierro, physician at the Federal House of Detention, should be "forthwith hospitalized" for treatment of a coronary ailment. Costello is sixty-five.

Judge Edmund L. Palmieri scheduled a hearing on the petition for Thursday.

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Date AUG 21 1956

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COSTELLO STARTS 5-YEAR JAIL TERM

Gambler Surrenders Here to U. S. Marshal in Income Tax Evasion Case

Frank Costello surrendered yesterday to begin a five-year term for income tax evation.

The 65-year-old gambler refused to discuss his health or future as he reported to start the term.

Costello's surrender canceled automatically the $50,000 bail under which he had enjoyed freedom. He was handcuffed and taken to the Federal House of Detention, 427 West Street, where he will remain until assigned to a Federal prison by the Bureau of Prisons in Washington.

Ordered to give himself up at 4 P. M., Costello walked into United States Marshal Thomas Lunney's office at 3:25 P. M. He was accompanied by his attorney, Joseph Leary Delaney.

The two had gone to the United States Court House at Foley Square by taxi from Costello's home at 115 Central Park West. They had been followed downtown by agents of the Treasury Department.

Costello was convicted in 1954 of evading $28,532 in income taxes for 1948 and 1949. He was sentenced to five years' imprisonment and fined $20,000. He recently lost an appeal to the Justice Department and Judge F. X. McGohey to submit to voluntary exile in lieu of serving time in prison.

He posed affably for photographers in Mr. Lunney's office, but to the many questions put to him by reporters, he answered "no comment."

This is the third time that Costello has been convicted of a crime. In the early Twenties he was found guilty of possessing a revolver. He also served fourteen months of an eighteen-month sentence for contempt of the United States Senate.

A denaturalization suit brought by the Government is scheduled to begin June 4. It is based on the charge that Costello had failed to disclose his past criminal record in his application for naturalization. He became a citizen in 1925.

CLIPPING FROM THE
N.Y. TIMES
N. Y.
DATED MAY 15 1956
FORWARDED BY N. Y. DIVISION

P. 23 LATE CITY

RE: FRANK COSTELLO
GIIF
(TOP HOODLUM COVERAGE)

BUFILE 94-

162-76543-A
NOT RECORDED
26 MAY 22 1956

53 MAY 23 1956

0-19 (11-22-55)

Costello Jailed Again After Losing Last Pleas

NEW YORK, May 15 (AP).—Gambler Frank Costello was behind bars again today—this time under a five-year sentence for Federal income tax evasion.

Taken to the Federal House of Detention in handcuffs, he will remain there until assigned to a prison by the United States Bureau of Prisons.

Costello, 65, surrendered at the United States marshal's office yesterday after losing in last-minute legal maneuvers to get his sentence suspended or reduced.

His surrender automatically canceled the $50,000 bail under which he had been free during lengthy appeals as high as the Supreme Court.

Complains of Ulcer

A newsman asked him how he felt.

"I got an ulcer that's killing me," Costello whispered.

He did not mention cancer. In a recent move for suspension or reduction of his sentence, he filed in court a doctor's affidavit saying he had a recurring case of cancer and needed an operation. He also said he had an ulcer.

Costello was fined $20,000 in addition to the prison sentence.

He also faces Government proceedings seeking to take away his citizenship and deport him. The Government charges that Costello, who came here from Italy as a child, obtained citizenship fraudulently in 1925 by concealing his criminal record.

The denaturalization trial is scheduled to begin in Federal Court June 4.

Offer to Leave Rejected

Costello offered recently to deport himself voluntarily to some foreign country, which he did not name, in a move to escape the prison term. The Government turned him down.

Theoretically, Costello will become eligible for parole after serving 20 months.

He was convicted in 1954 of evading $28,532 in income taxes for 1948 and 1949.

This is the third time Costello has been convicted and jailed. He was released from a Federal penitentiary in [illegible] after serving 14½ months of 18-month sentence for contempt of the United States S[illegible] Crime Investigating Committee. He had refused to answer a number of key questions, and twice walked out of the televised hearings in 1951. When a young man he served 10 months on a gun-carrying charge.

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26 MAY 22 1956

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Daily Worker
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Date MAY 15 1956

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COSTELLO STARTS TERM—New York.—Gambler Frank Costello, 65, surrendered yesterday and began a five-year prison sentence for Federal income tax evasion.—AP Wirephoto.

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3-1

(COSTELLO)
NEW YORK--FRANK COSTELLO LOST THREE APPEALS IN FEDERAL COURTS AND WAS ORDERED TO SURRENDER ON MAY 14 TO BEGIN SERVING A FIVE YEAR SENTENCE FOR INCOME TAX EVASION.

FEDERAL JUDGE JOHN F. X. MCGOHEY DISMISSED A MOTION FOR SUSPENSION OR REDUCTION OF SENTENCE. HE ALSO REFUSED AN APPLICATION WHICH WOULD HAVE PERMITTED COSTELLO TO REMAIN FREE IN BAIL PENDING CONCLUSION OF A DENATURALIZATION ACTION SET FOR TRIAL ON JUNE 4.

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WASHINGTON CITY NEWS SERVICE

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Costello Turned Down, Must Stay, Do Five Years

By LEO LEVY

Gambling czar Frank Costello's bid for freedom at the cost of exile from this country lost out Monday to a court ruling he must stay here—to serve his five-year prison sentence for income-tax evasion.

Costello, 65, pleading he needed surgical treatment for a cancerous condition and would "give up everything" to deport himself voluntarily if the court would suspend or reduce his sentence, was turned down by Federal Judge John F. X. McGohey at the same time the U. S. Court of Appeals unanimously denied a motion for a re-hearing of the tax-evasion case.

THE AGING, AILING gambling kingpin was given one week—until 4 p.m. May 14—to surrender and start serving his sentence behind bars. He has been free in $50,000 bail and living at 115 Central Park West.

The offer of voluntary deportation was "a hard decision for him to make" Costello's attorney, Joseph L. Delany, told the court.

"He has been here since he was a boy, and his wife was born here, but he is willing to give up everything."

In opposition, Assistant U. S. Attorney Whitney North Seymour, Jr., declared: "Costello has been a gambler throughout his whole life—he is now gambling with the government and this is one time he should lose." Seymour pointed out the government Bureau of Prisons has facilities to deal with Costello's illness.

SEYMOUR MAINTAINED the government "vigorously stands in opposition to any motion whereby he would leave without serving that sentence."

A doctor's affidavit said Costello suffers a duodenal ulcer and melanoma of the left temple.

It called the latter "notoriously one of the most malignant and fatal forms of cancer" and added, "it is imperative that Costello's melanoma be surgically excised."

But Seymour came up with an affidavit from Dr. H. M. Janney, medical director for the Bureau of Prisons, which noted "diagnostic and treatment facilities more than adequate to provide for the removal of the melanoma," in the medical center of the Bureau at Springfield, Mo.

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Date MAY 8 1956

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55 MAY 14 1956

Supreme Bench Clarifies 1954 Order

Integration Applies to All School Levels, Court Rules

The Supreme Court has removed any lingering doubt about whether its historic 1954 school segregation decision applies to all levels of public education. It does.

Yesterday the court adopted a lower court finding that the 1954 anti-segregation decision applies to tax-supported colleges and universities as well as to grammar and high schools.

In so doing, the high court ordered admission of three Negro youths to North Carolina University's undergraduate school at Chapel Hill. The young men are already there, pursuant to the lower court's ruling.

ECHO FOR AUTHERINE

Yesterday's brief order appeared to be the answer to a forthcoming appeal in the widely publicized case of Autherine Lucy, who has been seeking admission to the University of Alabama at Birmingham. The University has announced it will appeal lower court decisions ordering her admission. Meantime, she has been expelled on non-racial grounds.

The Supreme Court in 1954 said:

"In the field of public education the doctrine of 'separate but equal' has no place."

Nevertheless, Attorney General William B. Rodman Jr. of North Carolina argued that since the test case concerned only children below college level, the decision did not encompass colleges and universities.

The opinion of a three-judge Federal panel at Durham, N. C., adopted by the Supreme Court yesterday, held the argument to be "without merit."

NO DECISION

In another race case the Supreme Court refused to examine at the present time a controversy over use by Negroes of a city golf course in Charlotte, N. C. Another case on the issue is pending in a state court.

Yesterday the court also:

• Granted a hearing to Clinton E. Jencks, New Mexico labor leader at whose trial turn-about witness Harvey Matusow testified and later recanted.

• Affirmed 7-0 the tax evasion conviction of New York racketeer Frank Costello, who was also undergoing denaturalization proceedings. Costello, who has been free on $50,000 bond, must now serve a five-year jail sentence and pay a $20,000 fine for understating his 1947-1948 income by $159,000.

• Denied a hearing to Roger (The Terrible) Touhy, Chicago gangster of the prohibition era who was seeking to invalidate two convictions that will keep him in jail for the rest of his life. (IP)

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Date 3-6-56

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76 APR 3 1956

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Carbo, Costello Names Enter Probe of 'Fixes'

LOS ANGELES, March 21 (UP) —The names of New York underworld characters Frank Costello and Frankie Carbo popped up today in California's boxing scandal in the wake of disclosures that a fight was "thrown" to Golden Boy Art Aragon.

Gov. Goodwin J. Knight's probe of ring irregularities went into its third day with Olympic Auditorium boxing promoter Cal Eaton on the stand.

The investigation yesterday unearthed testimony from former lightweight Tommy Campbell that he "took a dive" on orders in his match with Aragon in June, 1950.

Campbell also said he was ordered to dump a fight with Del Flanagan in Minneapolis in July of 1951 but won it after a Minnesota boxing commissioner interceded with a warning.

"Who has contact with the Easterners who fought at the Olympic?" special prosecutor James E. Cox asked Eaton.

"Mostly McCoy," Eaton replied.

"Do you know Frank Carbo?"

Eaton said he did and that he had seen him many times at Carbo's New York restaurant and in Los Angeles.

"Have you heard that Carbo owns and controls the lightweight title?"

"No," Eaton answered.

Eaton said he had met a promoter named Geigerman from New Orleans.

"Do you know Geigerman is an associate of Costello or Carbo?", Cox asked.

"No," Eaton said. Eaton said he'd never met Costello.

Mr. Tolson
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Newspaper : BOSTON GLOBE
Date : 3/22/56
Edition :
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Character :
Page : 27

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6 Jan

Costello Faces Court On Prohibition Days

Gambler Frank Costello was in U.S. Court House on Foley Square today under court order to answer questions which federal authorities hope will lead to his deportation.

Specifically, Costello, 63, is being asked about bootlegging and other illegal activities he allegedly engaged in before he gained his citizenship in 1925. U.S. Attorney Alfred P. O'Hara is questioning the racketeer in pre-trial de-naturalization proceedings.

Costello today escaped unscathed when a state process server tried to give him a summons directing him to appear in Supreme Court Jan. 18 to be questioned about $98,000 in back taxes. Since Costello was in the court house "under duress," the summons could not be served.

CLIPPING FROM THE
N. Y. N.Y. WORLD TELEGRAM & SUN
DATED JAN 4 1956
FORWARDED BY N. Y. DIVISION

7 Sports
re: F. Costello

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THESE DAYS:

So They Talk of Frank Costello

By GEORGE E. SOKOLSKY

SOME years ago, Frank Costello, who had the reputation of being the Czar of the rackets in the United States, wanted to be popular and acceptable. He hired a press agent and soon newspapers and magazines were publishing articles on the life and affairs of the aforesaid Costello. He was painted as a sort of New York Robin Hood.

Personally, I have never met Costello. But I did feel at the time of the publicity campaign that Costello made a serious mistake in hiring a press agent. Some people do better when nobody knows they are alive.

So now it has come to pass that whenever anybody wants to smear somebody else, he associates him with Costello. For instance, in the unseemly fracas, in the press, in which Governor George M. Leader of Pennsylvania accused the Republicans of surrounding the President with an underworld and the President's Assistant Press Secretary accused the Democrats of being associated with the underworld, Frank Costello is dragged in obliquely.

'Did You Ever Hear?'

"Did you ever hear of Frank Costello?" That is the question that is supposed to slay you. No one says that Adlai Stevenson or Averell Harriman is associated with Frank Costello, but just by dragging his name into the situation, the implication is set forth that he has something to do with someone or something and figure it out for yourself. If you can't figure it out, the fault is yours.

Apparently the politicians have nothing to say about each other, so they resort to the time-honored method of slinging mud. It does not make sense; it is poor taste. If we have to have more than a year of that between now and the next Election Day, the public is going to be disgusted with both parties and it will stay away from the polls. We want a political debate, not an exhibition of bad manners.

62-76513-14
RECORDED
OCT 3 1955

Wash. Post and Times Herald
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N. Y. Herald Tribune
N. Y. Mirror
Daily Worker
The Worker
New Leader
N.Y. Journal-American

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Nobody has nominated Frank Costello for any public office. If the suggestion is that Costello is bribing the public to keep his chosen men in office, there ought to be some evidence on the subject. I live in New York, and know something about its public personalities and Costello is not a factor. Perhaps it was not always so, but it is so today.

There was a time when the Democrats were always running against Herbert Hoover. Alf Landon, Wendell Willkie, Thomas E. Dewey and Dwight D. Eisenhower ran on the Republican tickets, but always it was Herbert Hoover who was running and who had to be smeared. Hoover took it in his stride, but it was a low trick on the American people.

The real trouble is that neither Governor Leader nor Murray Snyder, the President's press man, really had anything to say to each other. This "underworld" talk was a substitution for talking about the world. Neither party is sure what their world will be in 1956. Mr. Eisenhower, for instance, was wonderfully brave and clever at Geneva but he did not get anything concrete from the Russians and now Khrushchev explains that the smiles were all right but that nothing has really changed. And Khrushchev probably spoke from a compulsion to do a little kicking around.

Soviet Sets Climate

The trouble with being a political leader of any country these days is that the climate of the moment is always set by Soviet Russia. Therefore the opportunistic politician, who plays by ear, is never certain what the Russians will do to him, what trick they will suddenly pull out of their Pandora's Box. Nobody can tell whether suddenly, and for no apparent reason, they will spoil all his plays in the political game.

At present, for instance, the line is to say that Russia is not so bad after all, that Communists just belong to a political party like any other people; that nobody should be fanatical and narrow-minded. Whoever does not follow that line is regarded as fanatical and mixed up, not to say, crazy.

But suppose it all goes just the opposite? For most people, that does not matter too much. Who remembers on Thursday what anyone said on Monday? But the words of the great are engraved on newsprint, and when the words prove to have been false, the result can be disastrous in an election. So they talk about Frank Costello!

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White House Aid Links Democrats To Costello and the 'Underworld'

By Earl Mazo

DENVER, Sept. 15.—A charge that the "underworld" has cooperated with Democrats to oppose the Republican party and that Frank Costello, New York gangland leader, figured in the co-operation, was made by a White House spokesman today.

It was part of a reply by Murray Snyder, assistant White House press secretary, to an anti-Eisenhower speech by Gov. George M. Leader, of Pennsylvania, at a Democratic fund raising dinner in San Francisco last night.

Talked With President

Mr. Snyder's statements were in answer to questions at President Eisenhower's vacation headquarters. He had talked with the President prior to the press conference, but it was not clear whether his comments reflected the personal view of Mr. Eisenhower.

Gov Leader, who substituted for President Truman last night and will do so again at a $100-a-plate dinner in Los Angeles tonight, had said Mr. Eisenhower is "not a great President" and that he "reigns, but he does not govern."

The thirty-seven-year-old Pennsylvania Governor also asserted that if the President is re-elected and carries with him a Republican Congress "the hard and ugly underworld in the Republican party would again reveal its measure of control, again make the President and the nation their captive."

Although an aid of the Governor's reportedly explained later the "underworld" he had in mind was composed of certain minority groups within the Republican party, Mr. Snyder said today the term "underworld, to me, means criminal underworld."

"I am aware of an underworld that has opposed the Republican party in various elections," the White House spokesman added.

At first he refused to elaborate. When pressed for "details" by a reporter, Mr. Snyder, himself a former reporter of politics in New York for twenty years, asked, "Did you ever hear of Frank Costello?"

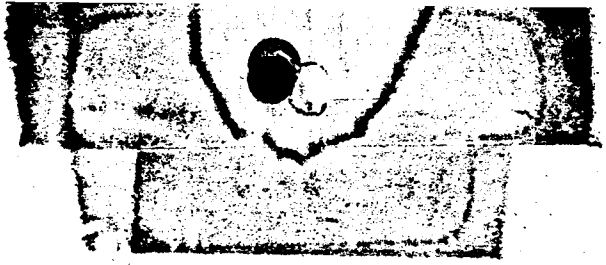
The press secretary said of Gov. Leader that he is a "pinch hitter who struck out."

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6TC

Costello, On Visit, Taciturn

Frank Costello was a man of few words here today. Here is what he said:

"I'm in New Orleans solely for the purpose of attending to business concerning a major operation here, to save my sister's eyesight.

"I'm here with the knowledge of the New York State income



FRANK COSTELLO

tax officials and I intend to return to New York tonight or tomorrow morning.

"I'm not here at the invitation of Mr. Blaise D'Antoni. I did, however, visit Curley's gymnasium with him. I'm not interested in Magnolia Park nor any other business in New Orleans. And that includes the slots."

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NEW YORK--THE U.S. COURT OF APPEALS HELD THAT BOSS RACKETEER FRANK COSTELLO DID NOT FORFEIT HIS CITIZENSHIP BY REFUSING TO ANSWER QUESTIONS IN A DE-NATURALIZATION HEARING.

BUT THE THREE-MAN COURT UNANIMOUSLY UPHELD A $500 FINE FOR CONTEMPT OF COURT IMPOSED ON COSTELLO FOR THE REFUSAL.

COSTELLO, 62-YEAR-OLD NATIVE OF ITALY WHO HAS BEEN A RESIDENT OF THE UNITED STATES SINCE EARLY CHILDHOOD AND A CITIZEN SINCE 1925, HAD REFUSED IN A PRE-TRIAL EXAMINATION OF DENATURALIZATION PROCEEDINGS TO ANSWER QUESTIONS ABOUT ACTIONS DATING BACK TO THE TIME OF HIS NATURALIZATION.

THE GOVERNMENT WANTED THIS REFUSAL RULED A DEFAULT WHICH WOULD AUTOMATICALLY STRIP COSTELLO OF CITIZENSHIP AND THUS MAKE HIM SUBJECT TO DEPORTATION.

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Costello's 'Luck' Runs Out At Last!

Frank Costello, one time kingpin racketeer who served time for contempt of the Kefauver crime committee is likely to be behind bars again pretty soon. The man who operated lucrative gambling rackets with immunity from prosecution for many years will have to pay the penalty for income tax evasion just as an earlier racketeer, Al Capone, finally slipped up because he didn't play fair with Uncle Sam.

Costello was convicted of income tax evasion last year and was sentenced to five years in prison. He was immediately committed to jail pending his appeal. Later, however, he was freed on bail because the basis of his conviction, the net worth method, was under consideration by the U. S. Supreme Court in another case.

Under the net worth method, the government submits evidence that a person was worth so much on one date and a great deal more at a later time. At the same time expenditures are traced and the whole matched up against whatever income tax return was filed. The method is used when it is impossible to trace sources of income.

Last fall the Supreme Court held that this is a legitimate method of proving guilt. Last week the U. S. Court of Appeals at New York upheld Costello's conviction in the lower court. Since the Supreme Court has already held that the method of proving failure to pay income tax is legal, there is little likelihood a further appeal will be allowed.

Once more the law has caught up with a man who thought he was above.

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62-76[illegible]-1
NOT RECORDED
191 APR 19 1955

Miami Daily News
Miami, Florida
Date 4-10-55

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Costello to Appeal To Supreme Court

Counsel for gambler Frank Costello said yesterday that they will ask the United States Supreme Court to review Costello's conviction for income tax evasion.

The United States Court of Appeals on Tuesday unanimously upheld Costello's conviction by a Federal Court Jury on May 13, 1954, of evading $39,015 in income taxes for 1947 through 1949.

The Court of Appeals reduced Costello's fine from $30,000 to $20,000, but made no change in his prison sentence of five years. The court held, however, that there was insufficient evidence on one of the three counts on which Costello was convicted and withdrew that $10,000 fine. Costello is now at liberty in $50,000 bail.

NOT RECORDED
191 APR 15 1955

Wash. Post and Times Herald
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Date: APR 7 1955

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(COSTELLO)

SUPREME COURT JUSTICE JACKSON GRANTED FREEDOM ON ~~$500,000~~ $50,000 BOND TO FRANK COSTELLO, NEW YORK RACKETEER NOW SERVING A FIVE-YEAR JAIL SENTENCE FOR INCOME TAX EVASION.

COSTELLO WAS FINED $30,000 AT THE TIME OF HIS CONVICTION ON MAY 13, 1954.

COSTELLO'S APPEAL IS PENDING BEFORE THE SECOND U.S. CIRCUIT COURT OF APPEALS IN NEW YORK. THE BAIL ORDER WILL BE GOOD UNTIL THE CASE IS FINALLY DISPOSED OF.

JACKSON SAID HE DOES NOT USUALLY OVERRULE REFUSAL OF BAIL BY LOWER COURT JUDGES WHO ARE CLOSER TO THE FACTS OF A CASE. BUT IN THIS INSTANCE, HE SAID, CIRCUMSTANCES HAVE ARISEN THAT WARRANT SUCH ACTION. HE NOTED THAT ON JUNE 7 THE SUPREME COURT AGREED TO HEAR FOUR CASES WHICH TEST THE SAME LEGAL QUESTION RAISED BY COSTELLO.

6/18--N511P

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191 AUG 8 1954

55 AUG 23 1954 (191)

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CORRECTION:

IN FIRST PARAGRAPH COSTELLO (511P) READ IT XXX $50,000 BOND, ETC. (INSTEAD $500,000).

WCNS
6/18--N522P

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67C

Costello Faces New Contempt Rap

By NORMA ABRAMS

The Government served notice on Frank Costello yesterday, after the gambler refused to answer 19 out of 22 questions about his assets, that it will try to hang another contempt rap on him.

He was taken before Federal Judge Edward A. Conger from the Federal House of Detention to answer the queries after weeks of conferences with government attorneys had failed to produce any replies.

Assistant U. S. Attorney Clarence Clyde Ferguson is trying to determine Costello's ability to pay the $30,000 fine slapped on him along with a five-year prison term following his conviction May 17 of income tax evasion.

Over the objections of his counsel, Joseph L. Delaney, and on orders from Judge Conger, the gambler finally admitted that his name was Frank Costello; that he was married and that his wife's name was Loretta.

When Ferguson wanted to know his occupation, Costello was advised by his counsel and directed by Conger not to answer.

Directed to Answer.

On all the queries that followed Costello persisted in his refusal to answer on advice of counsel and in the face of directions from the court that he reply.

These concerned his cash, bank accounts, insurance, real estate and other assets and even his personal clothing and jewels.

The gambler, who wears a different suit each time he comes to court, was asked whether he owned more than two suits of clothes, and whether he had any personal jewelry beyond one wedding ring and one watch valued at more than $35.

In a husky voice and with his hands clasped nervously before him, Costello again repeated his refusal to reply.

At the end Conger directed both sides to file memos in the case with him on June 29. Ferguson said he would ask for the contempt citation then.

Costello got out of jail last October after serving 14 months of an 18-month term for contempt of a Senate committee. He has been held here without bail since his tax conviction pending his appeal.

62-76543-7
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Final
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N. Y. N.Y. NEWS

DATED JUN 17 1954

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(COSTELLO)
SUPREME COURT JUSTICE JACKSON GRANTED FREEDOM ON $500,000 BOND TO FRANK COSTELLO, NEW YORK RACKETEER NOW SERVING A FIVE-YEAR JAIL SENTENCE FOR INCOME TAX EVASION.
COSTELLO WAS FINED $30,000 AT THE TIME OF HIS CONVICTION ON MAY 3[illegible] 1954.
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6/18--N511P

CORRECTION:
IN FIRST PARAGRAPH COSTELLO (511P) READ IT XXX $50,000 BOND, ETC (INSTEAD $500,000).
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(COSTELLO)

NEW YORK--GAMBLER FRANK COSTELLO WAS FREED TODAY IN $50,000 BAIL ON AN ORDER FROM U.S. SUPREME COURT JUSTICE ROBERT H. JACKSON WHILE HIS APPEAL FROM A RECENT INCOME TAX CONVICTION WAS UNDER CONSIDERATION.

COSTELLO WAS TAKEN FROM THE FEDERAL HOUSE OF DETENTION SHORTLY BEFORE NOON AND WAS FREED BY FEDERAL JUDGE JOHN F.X. MAGOHEY AFTER HIS BOND WAS MADE BY A PROFESSIONAL BONDSMAN.

THE ORDER CALLING FOR COSTELLO'S FREEDOM FOLLOWED JACKSON'S ACTION IN OVERRULLING THE NEW YORK COURT OF APPEALS WHICH RECENTLY TURNED DOWN THE GAMBLER'S PLEA FOR RELEASE IN BAIL.

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Drop Costello Contempt Suit

Gambler Frank Costello discovered Tuesday that his legal luck isn't all bad when the Federal government withdrew a motion to have him cited for contempt for refusing to answer questions about his ability to pay the $30,000 fine imposed on him in addition to a five-year jail term for income tax evasion.

Joseph L. Delaney, Costello's lawyer, had offered a $30,000 certified check on three occasions in payment of the fine, but the government rejected it each time on the grounds that the check was a part of funds attached in a civil suit for recovery of back taxes.

LAST JUNE 16, despite Judge Conger's orders, Costello refused to answer questions about his assets. Later, Delaney said Costello was refusing on the grounds that his answers might tend to incriminate him.

In court Tuesday, Assistant U.S. Attorney Alfred P. O'Hara told the court "it is our conclusion that there is merit to the defendant's contention and that the Fifth Amendment is a shield in this case. Therefore, we apply to withdraw the proceedings"

Costello, nattily attired in a gray suit, smiled broadly when O'Hara made his announcement.

The gambler got another break when he saved $2,484 after a hearing before William V. Connell, chief clerk of the District Court. Costello had been assessed the cost of his tax evasion trial and the government put in a bill of $6,595. Connell cut the final bill to $4,111.

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Costello Won't Tell of Assets

Frank Costello invoked the Fifth Amendment yesterday in refusing to answer seventeen of twenty-two questions regarding his assets in a government move to collect a $30,000 fine.

After the gambler pleaded the amendment before Judge Edward Conger in United States District Court, the judge fixed June 29 for a hearing on a motion for a possible contempt citation sought by Assistant United States Attorney Clarence Clyde Ferguson.

Costello was released from prison last fall after serving fourteen months of an eighteen-month sentence for contempt of the Kefauver Senate Crime Investigating Committee. He walked out on that body.

The gambler was sentenced last May 17 to five years in prison and fined $30,000 for evading $51,000 in taxes. He has been in Federal Detention Headquarters, West and 11th St., since, denied bail pending appeal of that conviction.

On the advice of his counsel, Joseph Leary Delaney, Costello refused yesterday to answer the seventeen questions. They included whether he had any cash in his possession, whether he has at present any bank accounts against which the government does not have a lien and whether he has safety deposit boxes against which the government does not have a lien.

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191 AUG 9 1954

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Costello Invokes 'Fifth' On Finances; Ask He Be Cited

Gambler Frank Costello, who already has served one prison term for contempt for refusing to testify about his personal affairs, courted another possible contempt sentence Wednesday when he invoked the Fifth Amendment in refusing to answer questions about his finances.

THE 61-YEAR-OLD Costello, acting on advice of his counsel, Joseph L. Delaney, refused to answer 17 questions before Federal Judge Conger in the Government's move to collect a $30,000 fine levied against him for income tax evasion.

The gambler only answered when asked his name, whether he was married and the name of his wife.

He was sentenced last May 17 to five years in prison and fined $30,000 for evading $39,015 in taxes, and has been denied bail pending appeal.

COSTELLO TOLD Judge Conger, who ordered him to answer the 17 queries, he might incriminate himself if he replied to the question. He declined to state whether he has any cash, bank acounts or safe-deposit boxes and how many suits of clothes he owns. He refused to ay whether he owns a wedding ring, a wrist watch or one or more autos. Costello also declined to reveal if he has any insurance policies.

Judge Conger then fixed June 29 for a hearing on a motion by the Government for a possible contempt citation against the gambler.

Costello was released from Federal prison last October after serving 14 months of an 18-month term for contempt for refusing to testify before the Senate Crime Investigations Committee in 1951.

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Hays Tries To Get Bail For Costello

Attorney Arthur Garfield Hays on Monday took up the cudgels for Frank Costello in the kingpin gambler's fight to win freedom on bail pending appeal of his conviction and sentence for tax evasion last month. He also opened the first round of an all-out battle to obtain a reversal of the conviction.

THE THREE-MAN bench sitting in the U. S. Court of Appeals reserved decision on the motion for bail to allow the government until Wednesday to file an opposing brief, but two justices indicated agreement with Hays that Costello may have been convicted on circumstantial evidence.

On hearing Hays' arguments for the release of Costello, convicted May 18 of evading payment of $51,000 in income taxes and fined $30,000 in addition to being given a five-year jail term, Judge Chase commented:

"The case was a sort of circumstantial evidence case."

Judge Frank interjected that "it seems to me that there is a substantial question here."

HAYS BASED his release application for his 61-year-old client on what he said were three substantial questions of law and contended that Costello's conviction "was based on the net worth-expenditures theory, which practically compels a defendant to prove his innocence." He added:

"This was proof by conclusion and puts an almost impossible burden on the defendant to prove it away."

Hays asserted that the government approved not only Costello's expenditures but also those of Mrs. Costello, then added her expenditures to those of her husband in formulating its case.

ASSISTANT U. S. Attorney MacMahon denied Hays' charges.

Costello's actual appeal cannot be heard until next Fall or Winter, and unless bail is granted he will remain jailed all Summer.

Costello, meantime, was brought down to the U. S. Courthouse from the Federal House of Detention to be questioned about his ability to pay the $30,000 fine, and another of his attorneys, Joseph L. Delaney, produced on the spot a check in that amount signed by both Costello and his wife, Loretta.

BUT ASSISTANT U. S. Attorney Ferguson refused the check on grounds that the Treasury Department already has a lien on all of Costello's known assets as a result of a civil suit in which the gambler was assessed $292,564. Ferguson said the criminal suit fine constituted a "junior lien."

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HEADING BACK TO JAIL



Frank Costello enters court for sentencing. He left as a Federal prisoner with 5 years to serve. (AP Photo)

Costello Gets 5 Years And $30,000 Fine

Poker-faced Frank Costello, denounced by the government as "the symbol of the successful racketeer," was sentenced Monday to five years in Federal prison and fined a maximum $30,000 for evading $51,095 in income taxes.

Denied bail pending an appeal, despite a series of motions by his attorney, the dapper gambler—who forced a wan smile through an otherwise grim visage—was led out of court by a U. S. Marshal, en route to the Federal House of Detention.

Judge McGohey granted an unusual request by Chief Assistant U. S. Attorney MacMahon to slap Costello with the cost of the trial, estimated at $5,000. McGohey, who appeared surprised when the motion was made, granted it after MacMahon cited the tax cases of Al Capone and Waxey Gordon as precedents.

Costello carried his fight for bail to Appeals Court Judge Medina, who turned him down after listening to 80 minutes of argument, but told the underworld czar he may renew his plea before the full three-man bench June 7.

Costello, who had sat slumped and dejected in the U. S. Marshal's office between the two court appearances, wiped tears from his eyes on hearing Medina's ruling.

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MacMAHON ASKED FOR the maximum term of five years on each of the three counts on which Costello was convicted last Thursday, plus the top fine of $10,000 on each. Costello's lawyer, Leo Fennelly, who told the court Costello is 61 (records show he is 63), has been ill since ending his 18-month term for contempt of the Senate last Fall, and has a life expectancy of only nine years, asked for a light sentence. The judge after listening to arguments, imposed the five-year, $10,000-fine penalty on each count, but decreed the jail terms should be served concurrently. With time off for good behavior, Costello may be free in three and one-half-years.

"To the man in the street, Costello is the symbol of the successful racketeer," MacMahon told the court, as the gambler listened as if in a daze.

"He has spent a lifetime making money on the shady side of the law—as bootlegger, slot-machine operator, banker for others in the same business. He has been associated with Longy Zwillman, Lucky Luciano, Willie Moretti, Joe Adonis, Frank Erickson—a Who's Who in American Crime.

* * *

"ALL HIS LIFE he has flouted law and order. The sentence he receives will serve notice on his friends—the easy money boys—and all others who deal only in cash that they are not immune to prosecution and conviction."

From 1947 through 1949—the years for which he was convicted — MacMahon charged, Costello "concealed more than $140,000 of his income" and "studiously used cash" to cover his tracks. From 1937 to 1949, he charged further, Costello "deliberately understated his income by at least $202,000."

Fennelly, who made 13 motions to win the gambler's freedom, argued that Costello raised large sums for charity, "keeps his word" and gave the government up to $500,000 a year in taxes on his Louisiana slot machines.

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Costello Convicted In Tax Evasion, Faces 15-Year Prison Term

Gambler Close to Tears As Verdict Is Given; Council Plans Appeal

By the Associated Press

NEW YORK, May 14.—Gambler Frank Costello, convicted of Federal income tax evasion, faces a possible maximum penalty of 15 years in prison and a $30,000 fine.

Costello appeared on the verge of tears last night when the jury foreman intoned "guilty."

The 63-year-old defendant, who allegedly headed a national underworld syndicate for years, paled and buried his face in his hands. Trembling, he lighted a cigarette.

During the wait for the verdict he had put on a show of cheerfulness, bantering with newsmen and friends about baseball and other things far removed from the business at hand.

Out of Jail Seven Months.

Costello had been out of jail less than seven months when the threat of prison struck him again.

He was released last October 29 from the Federal Correctional Institution at Milan, Mich., after serving 14 months of an 18-month sentence for contempt of the Kefauver Crime Investigating Committee when he refused to answer several key questions and twice stalked out of hearings.

The Italian-born Costello—whose gravel voice grated the ears of millions during the televised Kefauver hearings here in 1951—also faces deportation proceedings.

The Federal jury of seven men and five women, which deliberated eight hours, found Costello guilty on three counts of income tax evasion. The figure involved was $39,015.

Judge John F. X. McGohey set Monday for sentencing and raised bail from $5,000 to $25,000. Costello had been free in bail throughout the case.

Appeal Planned.

Defense Counsel Leo C. Fennelly announced he would appeal.

The jury acquitted Costello on one count of the four-count indictment—an alleged tax evasion of $13,224 in 1946—which cut the total from $52,239 to the $39,015.

At the start of the six-week

(See COSTELLO, Page A-3.)

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Costello

(Continued From First Page.)

trial, the Government charged he evaded at least $73,437 in income taxes from 1946 through 1949, but when the prosecutor's case was completed the amount had been reduced to the $52,239.

Costello did not take the witness stand in his own defense.

In fixing bail — which was posted promptly—the judge ordered Costello to remain in the Southern Federal District of New York except to travel to and from his home at Sands Point on Long Island, which is in the eastern district. Costello and his wife also have an apartment overlooking Central Park, Manhattan.

The Government, which spent years in preparing its case, leaned heavily on testimony that Costello and his wife lived on a scale beyond what would be indicated by his reported income. It contended that for the four years contained in the indictment Costello had an income of at least $317,000 but reported only $158,000 in his tax returns.

Tons of Records Exhibited.

The Government put 150 witnesses on the stand and introduced 368 exhibits in evidence. The exhibits included 3½ tons of records shipped here under subpoena from the Beverly Country Club near New Orleans. Costello was a partner and later a stockholder in the club, which suspended operations in 1951 after the Kefauver committee hearings.

The defense presented only one witness, Alfred E. Sweeney, an accountant, who challenged the Government's figures. A major defense contention was that many of Costello's expenditures in 1946 through 1949 were from assets accumulated during prior years.

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Mr. [redacted]
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Mr. Tamm
Mr. Tracy
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Tele. Room
Mr. Holloman
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(COSTELLO)
NEW YORK--RACKETEER FRANK COSTELLO WAS SENTENCED TODAY TO FIVE YEAR
IN PRISON AND FINED $30,000 FOR INCOME TAX EVASION.
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WASHINGTON CITY NEWS SERVICE

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Mr. Nichols
Mr. Belmont
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Mr. Rosen
Mr. Tamm
Mr. Tracy
Mr. Mohr
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Mr. Holloman
Miss Gandy

COSTELLO DEFENSE OPENED IN TAX CASE

Frank Costello's finances were bounced around like a pin ball yesterday at the 61-year-old gambler's income tax evasion trial in Federal Court.

Alfred E. Sweeney, a public accountant and former agent of the Federal Bureau of Investigation, was the first witness for the defense. Mr. Sweeney, using only Government data introduced through exhibits or witnesses, came up with an entirely different set of figures than those of the prosecution.

As a result of the Government's compilation, Costello is charged with evasion of $52,[illegible]39 in income taxes for the years 1946 through 1949. This figure is $[illegible]1,000 less than the evasion charged in the indictment.

Before the defense put its first witness on the stand, Judge John F. X. McGohey denied a series of motions by Leo C. Fennelly, of defense counsel, for an acquittal and dismissal of the indictment.

Mr. Sweeney adopted the Government figures and prepared a cash balance sheet. The Government contends that Costello had a net worth of $39,654 in 1937 and by 1945 it had risen to $239,376. Mr. Sweeney said the gambler's cash balance in 1937 was $31,154 and grew to $84,044 in 1945.

In 1946, the prosecution said, Costello's net worth was $230,833 and the defense said his cash balance was $75,995; in 1947 net worth $247,155, cash balance theory $80,312; 1948, net worth $234,191, cash balance $67,336, and in 1949 net worth $235,359, cash balance $19,955.

The Government has indicated that in its cash balance schedule the defense left out a number of items. The defense contends that the Government failed to give Costello credit for the return of investments so that he would have the original capital to work with again.

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Costello Gets OK to Travel, But Only to L.I.

Frank Costello was granted permission Wednesday only to visit his Sands Point, L. I., home while out on a $5,000 bond pending trial as a tax evader. Federal Judge Dimock turned thumbs down on a request for more extensive travel.

JOSEPH L. DELANEY, attorney for the 62-year-old gambler, asked permission for Costello to visit New Orleans, Oklahoma City and Russell, Kan., to gather data necessary to his defense in the tax case.

Chief Assistant U. S. Attorney MacMahon said he felt there was no reason for Costello to travel elsewhere than Sands Point to see "certain books and records which he does not describe."

While agreeing with MacMahon, Judge Dimock said the motion was being denied "without prejudice," which leaves the doors open for a renewal on presentation of further evidence. Delaney contended that the form of surety bond in use in this district does not follow that used "practically everywhere else," which does not limit a man to any district.

• • •

TWENTY POUNDS lighter after more than 14 months in Federal Prison for contempt of Congress, Costello was released on Oct. 29 and is to go on trial Dec. 17 on charges that he evaded payment of $73,437 in Federal income taxes between 1946 and 1949.

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I. I. R. -7

Frank Costello Back In New York Haunts

By the Associated Press

NEW YORK, Oct. 30.—Gambler Frank Costello returned to his old haunts today from Milan (Mich.) Feleral Prison. He avoided newsmen waiting at Grand Central terminal by leaving his train at a stop outside the city.

The gambler was released yesterday after serving about a year of his 18 months' sentence for contempt of the United States Senate. Ahead of him, however, are legal hurdles. He must stand trial on four charges of income tax evasion and denaturalization proceedings.

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Date: OCT 30 1953

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Costello Due To Be Freed

Milan, Mich., Oct. 20 (AP).—Gambler Frank Costello will be released from Milan Federal penitentiary October 29 after serving approximately 12 months of an 18-month sentence for contempt of Congress.

Warden B. M. Heritage said today the 62-year-old Costello would gain his freedom under a "conditional release" granted for good behavior under Federal penal regulations.

In Washington, officials pointed out that Costello faces other troubles when he leaves the prison next week: an action by the Government aimed to strip him of his acquired American citizenship and deport him, and the prospect of both civil and criminal actions over his income taxes.

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Costello Assured He's in Right Place

Bigshot gambler Frankie Costello's tricky maneuver to avoid serving out his 18-month sentence for contempt of the U. S. Senate failed yesterday when Federal Judge Sylvester J. Ryan ruled that the clink at Milan, Mich., meets the legal requirements of a "common jail" and is not necessarily a federal penitentiary.

With this ruling, Judge Ryan denied the motion of George Wolf, Costello's lawyer, to set aside the sentence on the ground that the gambling king had been committed illegally to two "penitentiaries" when the statute calls for incarceration in a "jail."

Costello currently is confined in Federal House of Detention at West St. in connection with a tax evasion suit brought against him by the Government.

Convicted April 8, 1952, for refusing to answer certain of the Kefauver crime committee's questions, Costello was taken first to the Federal Penitentiary at Lewisburg, Pa., and then was moved to the penitentiary at Atlanta, Ga., in October, 1952.

Judge Ryan noted that on Dec. 10, 1952, Costello had applied for a writ of habeas corpus in Georgia on the grounds that the penitentiary in Atlanta was by no means a "common jail." This was denied on Dec. 19 when it was shown that on Dec. 18 Costello's transfer to Milan, Mich., had been ordered.

The latter institution was described by Director of Prisons James V. Bennett as a "federal correctional institution," and "a place for persons being held for trial, or serving short sentences as well as prisoners serving sentences of more than one year."

Holding that the director might send the defendant to any institution which meets the definition of a common jail, Ryan said:

"He has done so by the designation of the institution at Milan. Whether this or any other similar institution should be designated rests in his discretion and not that of the court."

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Gambler Frank Costello, clearly showing effects of 35-lb. weight loss since entering pen last August, is seen behind screen of van outside Federal House of Detention after being brought here from Michigan on $73,000 tax evasion indictment. (Other photo on Page 1) (Mirror Photo)

No Tax Evader: Costello

Gambler Frank Costello, 61, natty as ever but pale and 35 pounds lighter, was brought back to Manhattan yesterday from a Milan, Mich., penitentiary to face a $73,000 income tax evasion indictment.

COSTELLO, who was temporarily housed in the Federal House of Detention, wore a light blue-gray suit, white shirt and yellow-figured tie as he appeared before Federal Judge Clancy. His voice had its usual husky harshness when he answered "not guilty."

The indictment, filed March 11, accused him of paying $20,498 on declared income of only $75,417 from 1946 through 1949. But the Government charged, Costello actually had an income of $223,551 and should have paid $93, 927.

Judge Clancy set $5,000 bail and ruled Costello could remain in the House of Detention for five days while the U. S. director of prisons decides whether he should serve the rest of his 18-month contempt-of-Senate sentence there or at the Federal prison in Danbury, Conn., instead of returning to Michigan. Costello began serving time in August.

UNDER THE LAW, the posting of the bail automatically permitted Costello to apply again for parole. His first such request was denied recently.

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NEW YORK--GAMBLER FRANK COSTELLO WILL APPEAR IN FEDERAL COURT HERE TOMORROW TO PLEAD TO A FEDERAL INDICTMENT CHARGING INCOME TAX EVASION.

COSTELLO IS BEING BROUGHT HERE FROM THE MILAN FEDERAL PENITENTIARY IN MICHIGAN, WHERE HE IS SERVING AN 18-MONTH TERM FOR CONTEMPT OF THE SENATE CRIME INVESTIGATING COMMITTEE.

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WASHINGTON CITY NEWS SERVICE

Costello Is Indicted As 73G Tax Evader

By GEORGE GRADY

Rackets king Frank Costello, now serving an 18-month sentence for contempt of the Senate, was indicted by a Federal grand jury yesterday on charges of evading $73,437 in income taxes for the years 1946 to 1949.

The four-count indictment, which carries a total maximum penalty of 20 years in prison and a $40,000 fine, was hurriedly filed to beat next Saturday's deadline when the six-year statute of limitations would have barred prosecutions on the 1946 return.

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AT THE REQUESTT of Assistant U. S. Attorney Sharison, Judge Noonan issued a bench warrant for the gambler's arrest when he is released from the Federal prison at Milan, Mich., next October.

The indictment charges that Costello's income for the years indicated totaled $213,551, but that he reported income of $75,417. He paid taxes totaling $20,489, according to the indictment, $73,437 less than the proper figure.

The first count charges that Costello filed a false tax return for 1946 in which he stated his net income was $23,673 and on which he paid a tax of $8,338. The government alleges his actual income then was $31,630 on which he should have paid $13,224.

The second count charges that Costello filed a joint return with his wife Loretta for 1947, in which he gave his net income as $17,307 instead of the actual $72,561, and that he paid a tax of $5,085 instead of the $41,215 due.

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THE THIRD CHARGE says Costello's joint return for 1948 listed his net income as $12,325 on which he paid a tax of $2,153. The government claims his net income was $47,619 on which he should have paid $15,965.

The fourth count charges he filed a joint return for 1949 listing his income as $22,110 and paying a tax of $4,910. The government contends his income actually was $61,739 and that he should have paid $23,521.

U. S. Attorney Lane disclosed that members of his office and four picked members of the racketeer squad of the Treasury Department's intelligence unit spent more than a year compiling the evidence. Sharison added that the investigation is still continuing.

Lane would not disclose what were the sources of income given by Costello, nor would he say what was the occupation listed by him on the tax returns.

Last Feb. 24, Judge McGohey reserved decision on an application by the government to have a receiver appointed and to enjoin Costello and his wife from disposing of their property until a government income tax lien of $486,722 is satisfied.

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$486,722 Tax Bill Served on Costello

By GEORGE GRADY

The Internal Revenue Bureau yesterday slapped tax liens totaling $486,722 against imprisoned gambling king Frank Costello and his wife Loretta.

The first lien, filed against Costello and his wife, of 115 Central Park W., totaled $98,561 for income tax, interest and penalties due for 1943. The second lien, covering '41, '42, '44 and '45 and naming Costello alone, totaled $388,161.

• • • •

COSTELLO, now serving an 18-month term in the Federal prison at Milan, Mich., for contempt of the Senate, has 10 days in which to pay the liens. Otherwise, government spokesmen said, the Internal Revenue Bureau will move to seize his assets to satisfy the claims.

Harold B. A'Hearn, director of the bureau's Upper Manhattan District, who filed the liens in Federal Courts in Manhattan and Brooklyn, did not reveal the amount of income reported during those years by Costello or the tax paid.

The lien against Costello alone listed these sums as due the government: 1941—$19,605; 1942—$19,316; 1944—$211,677, and, 1945—$137,526. The total figure of $486,622 includes 50 percent penalty payments and six percent interest.

• • • •

FEDERAL OFFICIALS, it is known, also are investigating Costello's income and tax payments from 1945 to date.

During his testimony before the Kefauver Committee in 1951, Costello said, in outlining his assets, the only real estate he owned was his Summer home at Sands Point, L. I.

Costello testified he usually kept about $5,000 in cash at this home, but that he kept about $43,000 in cash in his Cenral Park W. apartment. He also said he had about $90,000 to $100,000 in banks. He said he sold a Wall St. office building he owned some years ago. He testified he did not know how much money his wife had, but did know she owned 200 shares of stock in a television company.

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Tammany Leader Denies Costello Has Hold on Him

NEW YORK, March 28 (U.P.)—Carmine De Saplo, leader of Tammany Hall, denied today that Frank Costello has any influence with him and said he has asked the Bar Association to investigate charges made before the Senate Crime Committee that Costello is a "judgemaker."

De Saplo admitted that he knows the reputed overlord of crime, but "I assure you that I have nothing to be ashamed of, or any apology to make."

Testimony at the Senate Crime Committee hearings pointed to Costello as the man to see about getting a judge elected.

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Costello Was No Gold Mine

By MILTON B. BERLINER (See editorial, Page 42.)

The Senate gambling sub-committee had invited Frank Costello, the notorious New York "operator" and authority on bookies, slot machines and related fields of activity.

What they got was a suave, well-dressed, mild-mannered and deeply tanned individual who didn't seem to know nothing from nothing.

Chairman Ernest W. McFarland carefully explained why his sub-committee so earnestly desired testimony on Justice Department anti-gambling legislation from the man who has been called "The undisputed overlord of vast gambling operations."

"It was thought by the committee that the committee should have information as to how the so-called bookmakers operate and how the bookies operate and how this information has been transmitted," said Sen. McFarland. "Some members of the committee, particularly Sen. Homer Capehart, felt we ought to have someone here who has an intimate knowledge of those matters, more than probably we had already had."

NOT EQUIPPED

But Mr. Costello knew very little about such things.

"At present I do not believe I qualify, and I am not equipped for it," replied the 59-year-old "retired" businessman. Sen. McFarland was puzzled:

McFarland: Why are you not equipped?

Costello: Because maybe I don't know enough about it.

McFarland: Are you engaged at present in the business of a bookmaker?

Costello: No sir.

McFarland: Have you any past knowledge of how they operate?

Costello: I have a very slight knowledge.

McFarland: What period of time does that go over?

Costello: Maybe 20 years back.

McFarland: In other words, as I understand your testimony it is that you have not engaged in this business for 15 or 20 years?

Costello: I say "not engaged in this business." I don't know if you call it "bookmaker" 15 years ago I might have been a sort of commissioner, not exactly a bookmaker.

McFarland: Tell us what a betting commissioner is.

Costello: If you are down at the race track and you want to bet $500 I would take you to a bookmaker and say, "$500 for Mr. X." And I used to get a commission, just like a broker.

FIVE PERCENTER

McFarland: What percentage did you get?

Costello: I used to get about five per cent.

McFarland: What is your occupation now?

Costello: I have several investments. Real estate. I have some oil leases—and I have an interest in a nightclub and restaurant.

McFarland: Where is that nightclub and restaurant?

Costello: In Louisiana.

McFarland: Is there any betting

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at that night club?

Costello: I wouldn't care to answer that question right now, if you don't mind.

McFarland: You mean you claim your constitutional privilege?

Costello: Yes.

Mr. Costello said his oil business was in Texas. But Sen. McFarland insisted on getting back to the point.

McFarland: This betting commission business you were in. About how much did you make out of that?

Costello: I would have to go back and try and memorize it.

George Wolf (Costello counsel): Approximately?

Costello: $25,000 or $30,000 a year.

McFarland: That must have been, then, a business wherein you must have handled a lot of bets?

Costello: I wouldn't call it a lot of bets. In them bets they used to bet pretty good. They would probably bet $1000 or $2000 to a race and you get 5 per cent and that's a pretty good day's wages.

SURE THING

McFarland: You didn't take any chances at all?

Costello: No.

McFarland: All you did was take bets and place them with someone else?

Costello: That is right. With my acquaintance, naturally, if a man went to the race track and he didn't care to bet, we will say, $1500 on a horse, and put it in the machines where he would get the worst of the price, so he would give it to me to place it with a bookmaker, which would be a private bet instead of the totalizer.

McFarland: How could you do that business there on the race track when there was legal gambling going on there?

Costello: I probably violated a law . . . and so did the bookmaker.

McFarland: Why would they place a bet with you rather than place it on the pari-mutuel?

Costello: I believe I just made that clear . . . if you throw $2000 into a machine on a particular horse if the price is 6 to 5 he is able to go down to 4 to 5.

McFarland: Have you engaged in other forms of gambling business?

Costello: Yes. I would call it casino. . . . I just do not care to disclose where at present.

McFarland: Are you engaged in any of that kind of gambling business at this time?

Costello: Yes.

McFarland: Where?

SLOT MACHINES, TOO

Costello: I stand on my constitutional rights. It is one place and just to make it clear it deals with roulette and dice.

Sen. Charles W. Tobey (R., N. H.): Did you ever make arrangements with any interests or any official of Louisiana to obtain franchises or privileges?

Costello: Never. I have had slot machines there . . . maybe 500 or 600. We own them; bought them. Well, no, I wouldn't say it was legal.

Tobey: What about respect for law?

Costello: That's up to the lawmakers. The authorities would stop if they thought it would interfere with something.

Tobey: Have you ever in your career greased the palms or bought or paid for protection to any legal interests in the country in any state?

Costello: No.

Tobey: Have any of your agents?

Costello: I can't talk for my agents. They do not act for me.

Tobey: Who do they act for?

Costello: Just what do you mean by an "agent"?

Tobey: You are the principal. Kastel is your agent.

Costello: He has never called my attention to it, if he did grease any palm, as you would call it. . . . Since I would say five years now, or better, there is no more operation, and I don't own no slot machine in no part of the world, no only America.

Tobey: Are you now retired from active business?

Costello: I'm practically retired, yes.

BOOKMAKERS, AGAIN

McFarland: What does a bookmaker need to do business?

Costello: He needs a telephone and an office, and he needs clientele, and he should have money.

McFarland: Now, how does he do business?

Costello: If you were a gambling man, you could call him up, and say, "I want to bet $150 on a horse that is running at Jamaica or Fair Grounds or anywhere," and he would say, "You are on."

McFarland: What news service do they get?

Costello: Of that, I would say I have no knowledge at all.

Sen. Lester Hunt (D., Wyo.): Why do you think the proposed legislation would not do what we hope (stop gambling)?

Costello: Offhand I would say we are all gamble-minded. It would curtail them to a certain extent for a short period, but there is always an angle how to skin the cat.

NEVER IN KANSAS CITY

Sen. Homer Capehart (R., Ia.): Did you ever meet the two gentlemen who were murdered in Kansas City?

Costello: No, I have never been in Kansas City.

Capehart: Why do the newspapers say undesirable things about you?

Costello: The newspapers have a great investment in me, in a lot of newsprint, that they want to get their money out of.

Capehart: You don't know as much about the bookie business as the chiefs of police and the mayors who have been here?

Costello: No, I think they make more of a study of it than I do.

(Police Chief Edward Allen of Youngstown, O., who preceded Mr. Costello on the stand had characterized him as a "glorified goon" and a "criminal crumb.")

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UPI 52 (Costello)

THE SUPREME COURT TODAY GRANTED A HEARING TO ONE-TIME GAMBLING KING PIN FRANK COSTELLO OF NEW YORK, WHO IS FIGHTING DEPORTATION TO HIS NATIVE ITALY.

THE COURT WILL HEAR ARGUMENTS ON HIS CASE SOME TIME NEXT FALL OR WINTER AND LATER WILL HAND DOWN A WRITTEN OPINION.

THE 2ND U.S. CIRCUIT COURT OF APPEALS RULED AGAINST HIM ON DEC. 4, 1962.

TODAY'S ORDER SAID THE SUPREME COURT WILL CONFINE ITSELF TO THE QUESTION OF WHETHER THE ACT APPLIES TO AN INDIVIDUAL WHO WAS A NATURALIZED CITIZEN WHEN CONVICTED.

JUSTICE JOHN M. HARLAN DID NOT PARTICIPATE.

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50 APR 24 1963

WASHINGTON CAPITAL NEWS SERVICE

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Court Upholds Order To Deport Costello

NEW YORK, Dec. 5 (AP).—The United States Court of Appeals has unanimously upheld the Government order for the deportation of Frank Costello, 71-year-old onetime racketeer and gambler.

His lawyer, Edward Bennett Williams, indicated he will appeal yesterday's ruling to the Supreme Court.

Costello, free in $10,000 bond, is under supervision of immigration officials.

62-76543-A
NOT RECORDED
17 DEC 11 1962

The Washington Post and Times Herald
The Washington Daily News
The Evening Star A-3 FINA
New York Herald Tribune
New York Journal-American
New York Mirror
New York Daily News
New York Post
The New York Times
The Worker
The New Leader
The Wall Street Journal
The National Observer
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UPI-152
(COSTELLO)
NEW YORK--KINGPIN GAMBLER FRANK COSTELLO, WINDING UP A FEDERAL PRISON TERM FOR INCOME TAX EVASION, WAS RETURNED TO NEW YORK TODAY TO FACE A GOVERNMENT DRIVE TO DEPORT HIM TO ITALY.
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FRANK COSTELLO
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WASHINGTON CAPITAL NEWS SERVICE

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Home Town Is Sour on Costello

Cosenza, Italy, April 5 (AP).—Frank Costello, facing deportation from the United States, is not going to get a red carpet welcome from his birthplace in Calabria.

"On the contrary," said Msgr. Raffaele Barbieri, bishop of Cassano al'Ionio, where Costello was born, "we have no sympathy for this gangster."

Sparking a local outburst against the native son were stories in the Italian press, notably Rome's Communist-line Paese Sera, saying a royal welcome was being prepared for Costello.

Untrue, Says Pastor

Paese Sera said the welcome was in recognition of Costello's fund-raising efforts in the U. S. for construction of a children's asylum at Lauropoli, a section of Cassano al'Ionio. The paper said Costello had contributed 15 million lire (about $25,000) for the building.

Don Carmine Scaravaglione, pastor of Lauropoli, said today there was no basis in fact for Paese Sera's report.

Italian-Americans, he said, contributed eight million lire (about $12,000) toward the 20-million lire cost of the asylum, now nearing completion. It is possible, said the pastor, that Costello may have made a contribution, "but we have no record of it."

62-76543-A
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The Washington Post and Times Herald
The Washington Daily News
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New York Herald Tribune
New York Journal-American
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New York Post
The New York Times
The Worker
The New Leader
The Wall Street Journal
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69 APR 10 1959

Don't Hold Your Breath

There's a great deal of satisfaction in knowing that racketeer FRANK COSTELLO has been stripped of his citizenship and as much coincidental admiration for the Government's persistence in bringing it about, but let no reader hold his breath waiting for this hoodlum's departure for Italy. If two remaining years of a prison term and bad health were not in the way of an early exit, numerous possible legal moves and higher courts would be.

If anyone doubts what can come of those, let him consider the case of the leftist West Coast labor leader, HARRY BRIDGES, who, the Government charges, got his citizenship by fraud but still manages, thanks to the legal sharpies, to be able to hold on to it.

COSTELLO has nothing to recommend him. He has debauched the citizenship he acquired through naturalization, but he's a sick, old man whose day is nearly done. BRIDGES who has even less to recommend him because of his association with elements which would destroy our traditional way of life, is still relatively young, vigorous, and more arrogant in the possession of his acquired citizenship than ever before.

The air would be sweeter through the enforced departure of both BRIDGES and COSTELLO, but it is not a purification we have any hope of enjoying. We recommend a study of the BRIDGES and COSTELLO cases to those who think that naturalization requirements are too severe and the inquiries of examiners too searching. Compared with losing citizenship the process of acquiring it is easy—too easy!

Mr. Tolson
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Mr. DeLoach
Mr. McGuire
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W. C. Sullivan
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Mr. Holloman
Miss Gandy

THE COMMERICAL APPEA
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SEARCHED.....INDEXED.....
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FRANK COSTELLO
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Costello Loses U.S. Citizenship

Action Clears Way to Deport Racket Leader

New Yorker Now Serving Term as Tax Evader

NEW YORK, Feb. 20 (AP)—The citizenship of Frank Costello was revoked today by Federal District Judge Archie O. Dawson.

Costello, 68, and troubled in recent years by a form of throat cancer as well as a heart condition, is serving a five-year sentence for Federal income tax evasion.

The Government has waged a long legal battle to strip from Costello the United States citizenship it claimed he obtained through fraud and misrepresentation in 1925.

Judge Dawson's action paved the way for what is expected to be the Government's next move—to deport Costello to his native Italy.

The Government had tried once before to denaturalize him. However, the case was thrown out by a Federal court in 1956 on the ground that the Government evidence was "permeated with the fruit of illegal wiretaps."

The Government then set out again to achieve its goal employing evidence it said was not obtained by wiretaps.

Costello long has been regarded as one of the top men in the underworld, and at one time was tabbed its "prime minister."

His croaky voice—but not his face—became familiar to many millions of Americans a few years ago during the nationally televised New York hearings on crime conducted by the United States Senate Committee headed by Senator Estes Kefauver, Democrat of Tennessee.

Only Costello's voice was heard during his witness chair appearances because of his demand that his face not be shown. Viewers now and then caught a glimpse of his hands as he dueled verbally with Rudolph Halley, chief counsel of the committee.

66 MAR 4 1959

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149 MAR 2 1959

Wash. Post and Times Herald
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Wash. Star A1
N. Y. Herald Tribune
N. Y. Journal-American
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Daily Worker
The Worker
New Leader

Date 2-20-59

0-20 (Rev. 1-28-59)

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Mr. Del[illegible]
Mr. McGuire
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C. Sullivan
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Mr. Holloman
Miss Gandy

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UPI-43

(COSTELLO)

NEW YORK--SIXTY-EIGHT YEAR OLD GAMBLER FRANK COSTELLO WAS STRIPPED OF HIS AMERICAN CITIZENSHIP TODAY BY FEDERAL COURT ORDER.

THE AILING GAMBLER IS CURRENTLY IN LEAVENWORTH SERVING A FIVE-YEAR PRISON SENTENCE FOR TAX EVASION.

FEDERAL JUDGE ARCHIE O. DAWSON HELD THAT COSTELLO HAD WILLFULLY MISREPRESENTED AND CONCEALED MATERIAL FACTS" IN OBTAINING CITIZENSHIP SEPT. 10, 1925.

THE GOVERNMENT CLAIMED THAT COSTELLO BECAME A CITIZEN FRAUDULENTLY BY CONCEALING HIS BOOTLEGGING OPERATIONS AND A 1915 CONVICTION FOR CARRYING A CONCEALED WEAPON.

THE ACTION BY THE COURT TODAY PAVES THE WAY FOR THE GOVERNMENT TO PROCEED WITH ITS DEPORTATION PLANS.

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WASHINGTON CAPITAL NEWS SERVICE

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May Now Clear for Deportation

Costello Is Stripped of Citizenship Because of Lie Sworn 34 Years Ago

NEW YORK, Feb. 20 (UPI) Frank Costello, 68-year-old "Prime Minister of the Underworld," was stripped of his American citizenship today because of a lie he told 34 years ago while swearing to uphold the Constitution.

Federal Judge Archie O. Dawson ruled that the dapper, frog-voiced Costello "willfully misrepresented" the facts in 1925 when he identified himself as a real estate agent in his application for citizenship.

Actually, the Government charged, Costello was at that time a bootlegger who already had established himself as a junior executive in the underworld. The Government said he also had concealed a conviction in 1915 for carrying a concealed weapon.

Costello is in the Federal Penitentiary at Atlanta, serving a 5-year term for evading more than $28,000 in income taxes. He has at least 18 months to go on the sentence.

During his first denaturalization trial in 1956, Costello volunteered to return to his native Italy if the Government would drop its prosecution of the tax charges. The offer was rejected.

The first trial was thrown out of Federal court on the ground that the prosecution had used illegal wiretaps to gain evidence. The U. S. Supreme Court last year reversed that action and ordered a new trial. The second trial was concluded last January.

Costello's skill at concealing his activities from the law had kept him relatively immune from prosecution while he amassed a fortune as bootlegger, gambler and slot-machine tycoon.

The law of averages that had run in his favor most of his life began to turn against him in 1951, when he was summoned before the Kefauver crime committee. Answers he gave before a Nation-wide television audience peeled away his cloak of respectability.

A year later, Costello was convicted of contempt of Congress and sent to jail for the first time since 1915.

The Washington Post and Times Herald A
The Washington Daily News
The Evening Star
New York Herald Tribune
New York Journal-American
New York Mirror
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New York Post
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The Worker
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Date FEB 21 1959

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Radar Screen

Frank Costello's Last Ride



Costello

NEW YORK.—The Justice Department is looking into the circumstances surrounding Frank Costello's ride in U.S. Marshal Thomas J. Lunney's private car last week. Marshal Lunney chauffeured the gambler from the Federal court house at Foley Square to Federal Detention Headquarters on West Street to begin serving the rest of his five-year sentence for income tax evasion. This was after the marshal stated positively that Costello would be transported in the regular van like any other prisoner.

Soviets to Publish Prize Novel

STOCKHOLM.—Despite Communist criticism of the book and its non-conformist author, sources here report that Soviet authorities are planning to publish Boris Pasternak's "Doctor Zhivago" in Russia. It is only a question of time before the Kremlin rulers come up with a scheme to rationalize and make proper use of the Nobel Prize-winning novel . . . first published in Italy over Soviet protests.

Wash. Post and Times Herald
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191 NOV 4 1958

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U. S. Weighs 'Next Move' On Costello

Acting United States Attorney Arthur H. Christy said yesterday that the government is planning "its next move" in regard to gambler Frank Costello, who was continued at liberty in $25,000 bail by Associate Justice William O. Douglas of the United States Supreme Court.

Costello, awaiting the Supreme Court's decision on a motion for a rehearing of his Federal income tax evasion conviction, was scheduled tentatively to surrender next Wednesday in Federal Court to resume serving a five-year prison sentence.

Convicted in 1954, Costello has served only eleven months, being free most of the time pending various court actions for reversal or a new trial. Last June 30, the high court denied his motion for a hearing, but he has asked for reconsideration.

The Supreme Court will not act on his petition until it reconvenes in September. He has contended the government has been checking illegally on his mail and used tainted wiretap evidence to convict him.

Wash. Post and Times Herald
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The Worker
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Costello Looks Safe Till Sept.

Gambler Frank Costello may remain out of jail at least until September, it developed yesterday when U.S. Supreme Court Justice William O. Douglas in Washington continued him in $25,000 bail pending a Supreme Court decision on a motion for a retrial.

Costello was supposed to surrender next Wednesday to resume serving a 5-year sentence for income tax evasion. He has already served 11 months and has been free in bail since 1956.

The Supreme Court recently refused to review his case, but his attorney moved for a new trial. The full Supreme Court will not sit until September.

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Costello Wins 7 More Days

Frank Costello again stayed off prison yesterday when he was granted a week's postponement in Federal Court while the U.S. Supreme Court decides whether it will review his case.

Originally scheduled to surrender last Thursday the 66-year-old gambler won a first breather when his lawyer asked the high court to reconsider his income tax conviction. That decision had been expected yesterday, but when it did not come down, a second postponement was granted.

Costello was convicted four years ago of having evaded $28,532 in taxes and served 11 months of a 5-year-term before being released in $25,000 bail.

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46 JUL 28 1958

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57 JUL 29 1958

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Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
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Mr. Holloman
Miss Gandy
W. C. Sullivan

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UPI-150

(N.Y.-PA.)

THE SUPREME COURT TODAY REFUSED FOR THE THIRD TIME TO EXAMINE THE INCOME TAX EVASION CONVICTION OF NEW YORK GAMBLER FRANK COSTELLO.

THE ACTION MEANS THAT THE FAMED UNDERWORLD FIGURE NOW MUST SERVE OUT THE REST OF HIS FIVE-YEAR PRISON SENTENCE. COSTELLO, NOW FREE UNDER $25,000 BOND, HAS SERVED LESS THAN A YEAR OF HIS TERM.

THE COURT ALSO LEFT STANDING A PENNSYLVANIA COURT DECISION DENYING ADMISSION TO NEGROES AT GIRARD COLLEGE IN PHILADELPHIA IN ACCORDANCE WITH THE WILL OF ITS FOUNDER, STEPHEN GIRARD. GIRARD'S WILL RESTRICTED THE SCHOOL TO "POOR, WHITE, MALE ORPHANS."

6/30--EC245P

162-26543-1
NOT RECORDED
191 JUL 2 1958

39
57 JUL 2 1958

WASHINGTON CITY NEWS SERVICE

Costello Remains Free

The United States Court of Appeals unanimously granted a motion yesterday for Frank Costello to remain at liberty in $25,000 bail pending review of his income tax evasion case by the Supreme Court.

CLIPPING FROM THE
N.Y. N.Y. TIMES
EDITION LATE CITY
DATED 17 JUN 1958
PAGE 31
FORWARDED BY NY DIVISION
RE: FRANK COSTELLO
HOODLUM PROGRAM
ANTI-RACKETEERING

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As Pegler Sees It:

He's Suspicious Of Grand Jurors

By WESTBROOK PEGLER

FEDERAL GRAND JURIES enjoy a holy majesty not only in the docile, ignorant mind of a degraded public but in the law itself. As an auxiliary of the judicial cabal they are protected from suspicion by the hocus-pocus handed down from Runnymede through generations of drunkards on the English bench.



PEGLER

Grand juries are secret bodies chosen in mystery by political agents of the ruling machines. Granting the doubtful premise that the public even knows what a grand jury is, there is no excuse for a public belief that these people are in any way superior to the run of citizens. That assumption calls for a positive opinion where the holder of that opinion is by English law denied any basis for an opinion.

The qualifications of grand jurors are ill-defined and it is gravely dangerous to seek to learn the facts about a grand jury's members. However, all competent shysters instinctively try to learn all they can about all jurors—and with good reason.

Many shysters are far better lawyers than lazier jurisconsults who offer a pretense of ethics and honor as an excuse for failing to do their utmost to win their trials. The shyster will send out gumshoes to learn all he can about each member of a panel. He will inquire whether each prospective juror has any ex-convicts, drunkards, judges or clergy in his family and, if the latter, of what persuasion and the dominie's reaction to slightly anonymous donations. He will try to learn the debt-position of each prospective juror, whether he voted for Roosevelt and how many times, how much he or members of his family drew as "relief" in its guises and how many marriages and divorces there have been in his immediate family. Obviously, all this knowledge fortifies a barrister to serve his client in the choosing of jurors.

The ethical attorney, probably a golfer, will not bestir himself to serve his client thus although he knows there is nothing immoral about it. There is only a rule of his own racket to condemn such diligence.

Frank O Costello

62-76543-4
NOT RECORDED
44 JUN 10 1958

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N. Y. Herald Tribune
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New Leader

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In the Frank Costello tax case the Court of Appeals held that the Government had a right to frisk the sacrosanct income tax returns of prospective jurors to learn whether they had paid fully, abundantly and exuberantly the taxes that the scoundrel at bar had ducked. So here, by judgment of the U. S. Court of Appeals it was proper and legal to spy on Federal jurors on the Government's behalf although defense attorneys caught doing that would be stripped of their shrouds and thrown into Foley Square in their shorts. However, a clever, conscientious ambulance chaser can procure fly-cops and neighborhood politicians to furnish information equally vital if not necessarily the same.

Grand jurors indict often on hearsay which would not be admissible by the standards of the courts themselves. In Costello's case the Government admitted that the indictment on which a citizen got five years was no better than gossip, and yet the conviction stuck. It has never been denied that grand jurors may indict for personal malice and professors of law admit that judges also have the special privilege of serving their own malice against victims whose political, religious or other devotions offend them.

But the worst menace inherent in the Federal Court system is cowardly submission to the myth which arbitrarily holds that grand jurors are above suspicion, and sets forth terrible punishment for whosoever dares to seek the truth about them.

0-19 (Rev. 10-29-57)

Costello Shooting Suspect Cleared

NEW YORK, May 27 (UPI) Former heavyweight boxer Vincent Gigante was acquitted tonight of charges of shooting gambler Frank Costello.

An all-male jury deliberated six hours and 15 minutes before returning its verdict. A few friends and relatives in the court let out shouts of joy.

FRANK COSTELLO
TOP HOODLUM - NEW YORK
ANTI-RACKETEERING

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0-19 (Rev. 10-29-57)

Man Acquitted Of Attempt on Costello's Life

NEW YORK, May 28 (AP).—Vincent (The Chin) Gigante went back to his job as a trucker's helper yesterday, acquitted of the attempted assassination of Racketeer Frank Costello.

After deliberating more than six hours, an all-male jury freed Gigante late Tuesday night.

A gunman fired a single shot at Costello last May in the lobby of his Central Park West apartment building. The bullet creased Costello's skull. Gigante was charged with attempted murder.

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16 JUN 4 1958

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53 JUN 6 1958

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N. Y. Herald Tribune
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N. Y. Daily News
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9-19 (Rev. 10-29-57)

Gigante Case to Jury; Could Get 25 Years

By Milton Lewis

The all-male jury trying Vincent L. (Chin) Gigante for the attempted murder of Frank Costello got the case at 3:30 p. m. yesterday in General Sessions and went to dinner three hours later. Conviction calls for up to twenty-five years in prison.

Earlier, some spectators in court were somewhat uncertain in listening to opposing summations as to just who was on trial. For not only the defense lawyer, but also the prosecutor concentrated on attacking Costello—who was nothing but the wounded witness in the case—as a "brazen liar."

Assistant District Attorney Alexander Herman used that appellation for the aging, still-trim gambler on the ground that the reluctant, Costello, "true to his code, was not going to rat on any one"—meaning the erstwhile rum runner and kewpie doll salesman refused to identify his assailant. Mr. Herman also had other unkind



Vincent (Chin) Gigante

words for his own witness, to wit:

"A hoodlum . . . a gangster . . . a man who never did an honest day's work and who never wants to, who thinks that we are all squares because we do."

Defense counsel Maurice Ed-

See GIGANTE—Pg. 19, Col. 1

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Gigante

(Continued from page one)

baum was kinder to Costello, since Costello swore that he never saw Gigante in his life. Even so, Mr. Edelbaum maintained that the gambler knows perfectly well who nicked him in the head on May 2, 1957, with a .38-caliber bullet—and it certainly was not his client, Gigante, a thirty-year-old former heavyweight boxer.

Just a "Janitor"

Gigante, Mr. Edelbaum boomed as he banged the jury rail, was nothing but a building janitor who never had any truck with Costello adding:

"There has not been a single iota of evidence to show a single reason why this defendant should seek the life of Frank Costello. I wonder how long the defendant would be alive walking around the streets if he had been the man who dared to shoot Frank Costello. It wasn't long afterward (almost six months) that Mr. Albert Anastasia was assassinated in a barber shop.

"Is there any relationship between those two happenings? If the underworld wants to get rid of a top man, do they pick the janitor of a tenement house or do they import a gunman from out of state?"

Mr. Herman, head of homicide, labeled Gigante "a young punk on the way up" chosen to carry out a gangland execution "to win his spurs." The prosecutor said that Gigante went into hiding after Costello was shot in the foyer of his own home at 115 Central Park West and that Gigante surrendered (on Aug. 19) only after he had "changed radically and drastically" in appearance, having lost about thirty-five pounds and crew-cut his long hair, in hopes of confusing any witness.

"Guy Who Got It"

Before trial, Mr. Herman continued, he did not bother questioning Costello because he had "demonstrated he was a liar many months ago, as he did on the witness stand." The prosecutor noted that "Uncle" Frank was put on the stand "in the nature of an exhibit, a corpus deliciti, as it were—the man who was shot, the guy who got it in the head."

As for Philip Kennedy, a model agency executive who was with Costello the night of the shooting and also testified, Mr. Herman said of him:

"He was hanging around Costello, drinking his liquor and living off him for the afternoon and evening. He's not worth one more hoot in hell than Costello is."

One Witness Lauded

But Mr. Herman did have kind words for Norval Keith, the Costello building doorman, the only witness to identify Gigante as the assailant. Mr. Keith has extremely poor vision in one eye. Mr. Herman on Keith:

"Thank the Lord for Keith.

...the courage to come forward and not do what other people do—turn their backs and tell the police they didn't see anything."

Defense counsel Edelbaum said that Mr. Keith had limited vision and said that the doorman sometimes drank and had a red nose, of which the lawyer observed:

"It shows like a beacon light on the foggy ocean."

Mr. Edelbaum said of his client:

"The greatest gift you can give the underworld is to convict this man, so that the investigation into who and why Frank Costello was shot will stop."

Judge John A. Mullen, in his charge, gave a choice of verdicts—guilty of first-degree attempted murder, first degree assault, or second-degree assault or innocent.

0-19 (Rev. 10-29-57)

The Chin's Fate Put to Jury Amid Confusion

By Norma Abrams and Henry Lee

With heated last-minute argument about red noses and tight corsets ringing in its ears, a General Sessions jury retired in dignified confusion at 3:30 P.M. yesterday to decide whether Vincent L. (The Chin) Gigante is the brash hood who tried to assassinate gambler Frank Costello.

In both defense and prosecution summations, the defendant Chin ran a very modest second to the victim, Costello, in lawyer-like abuse.

Almost apologizing to the all-male jury for having called Costello as a witness, Assistant District Attorney Alexander Herman explained:

were, the man who was shot, the guy who got it in the head."

Then he lambasted his own witness as "a liar, a hoodlum and a gangster," and in case the jury missed his point, immediately added by way of explanation:

"He's a man of ill repute."



Frank Costello
Who's on trial here?

But Shooting's Important

Further, Herman explained:

"No one in the Police Department, in the district attorney's office or at the defense table gives a hoot in hell about Costello, but he's a potential threat to the community and when he's shot, it's important."

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The Chin's lawyer, Samuel Edelbaum, added his epithets to Costello as "a mug" who "should have been dragged down by the neck to the station house" to look at rogues gallery pictures.

Say Cops Deferred to Victim

Instead, he charged, the police showed "deference" to Costello, taking the photos to his apartment. And Herman had "snarled" at defense witnesses, but had "protected" Costello on cross-examination.

Edelbaum also blasted Norval Keith, doorman at 115 Central Park West where Costello lives, who had identified Gigante as the gunman of May 2, 1957.

Keith, he charged, drinks, "had DTs right here in this court room on the stand," and possesses a reddened nose that shows "like a beacon light on the foggy ocean."

Scotch For the Scots

Herman objected there was nothing in the record to show that Keith drinks, but in his own summation told the jury:

"He's a Scotchman who likes a drink of scotch at night—and so do I. Thank the Lord for people like him with the intestinal fortitude to come forward and tell what he saw!"

Anyhow, Herman said, you can't tell a man's drinking habits by the color of his nose. He has heard, he told the jurors, that women used to get red noses from wearing tight corsets.



Vincent (The Chin) Gigante
Red noses and corsets

Back to the Shooting

It was Edelbaum's turn to object, and he said there was nothing in the trial record about women's corsets.

When both sides suddenly remembered that it was The Chin who was on trial, Herman called him "merely a hired two-bit killer."

Underworld executions, he asserted, usually are carried out by "some young punk on the way up who is chosen and designated to win his spurs—and that was Gigante's role."

On the other hand, Edelbaum movingly portrayed his hulking client as "just the janitor of a tenement house in Greenwich Village."

Stresses Lack of Motive

He argued:

"There has not been a single iota of evidence to show a single reason why this defendant should seek the life of Frank Costello.

(Continued on page 6, col. 1)

(Continued from page 1)

I wonder how long the defendant would be alive, walking the streets, if he had been the man who dared to shoot Frank Costello?"

"If the underworld wants to get rid of a top man, do they pick the janitor of a tenement house, or do they import a gunman from out of state?"

An acquittal, he said, would make the cops actually "find out who shot him" (Costello) and why," and he warned:

A Favor to the Guilty

"The greatest gift you can give the underworld is to convict this man, so that the investigation into who and why Frank Costello was shot will stop."

But Herman answered:

"When the underworld kills, or attempts to kill, motives are not readily available."

Herman conceded that Costello was "true to his code—he was not going to rat on anyone."

The Uncalled Cabbie

But, he said, "I think that if he could have said that Gigante was not the man who shot him, he would have rushed to tell us. But he couldn't say it."

Edelbaum made much of the fact that the prosecution had not called the cabbie who took Costello home the night of the shooting. But Herman said that was all nonsense, because if the defense thought the cabbie, Irving Hurwitz, was important, it could have called him.

The prosecutor had several unkind words for another of his own witnesses, Philip Kennedy, who had been with Costello that night.

He called him "Costello's lobbycow, the boy who goes around with Costello at night," a man "as phony as his patron, his big brother Costello."

One of 4 Verdicts

"He's not worth one more hoot in hell than Costello is," Herman advised the jury.

Judge John A. Mullen gave the jurors four possible verdicts—attempted murder, assault in either first or second degree, or acquittal.

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0-16 (Rev. 10-29-57)

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Boxer Held Assailant Of Costello

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N. Y. Daily News Service

NEW YORK, May 15—The doorman of the Majestic Apartments, on Central Park West, today told General Sessions Judge Jon A. Mullen and a jury that he saw Vincent L. (The Chin) Gigante shoot kingpin gambler Frank Costello on May 2, 1957.

The identification of the hulking 29-year-old Gigante, a former boxer, as the attempted assassin was made by Norval Keith, 55, a Queens resident who has lived at an East Side hotel since last August—presumably under police protection.

Never in the year since Costello's scalp was creased by a bullet in the lobby of the Majestic, where he lives, had authorities disclosed that they had a witness who definitely would finger Gigante as the attacker.

To make the dramatic identification today, Keith left the witness stand to approach Gigante and point him out at close range.

"I," said Keith, "heard this man say, 'This is for you, Frank.' The next thing I witnessed, he raised his right hand and fired a shot."

Keith's testimony was given under questioning by Assistant District Attorney Alexander Herman, who brought out that Keith can see only lights and shadows with his left eye but has excellent vision in his right eye.

"Mr. Keith," said Judge Mullen, "look at the clock at the rear of the courtroom and tell me what time it is."

"12:05," said the witness.

"Let it be noted for the record that the clock is 60 feet from the witness," said the judge.

Chronologically, this is the account Keith gave:

An employe of the apartment house for 22 years, Keith said, he opened a taxi door for Costello and Philip Kennedy, a model agency executive, on the night of the shooting. Costello walked into the lobby. Kennedy tarried outside.

"I saw a big, dark car double-parked near 72d st.," said Keith. "A big man got out of it, brushed past me and went into the lobby. I looked inside after him."

It was then, Keith said, that he heard the gunman say, "This is for you, Frank," and shoot him.

The doorman said the assailant then ran out to his car and drove away.

"I saw Mr. Costello pacing up and down the lobby, holding a handkerchief to the right side of his head," Keith said. The doorman said he flagged a cab, which took Costello to the hospital.

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0-19 (Rev. 10-29-57)

Resume Gigante Trial In Costello Shooting

By David Lyle

The trial of Vincent L. (Chin) Gigante on a charge of attempting to murder Frank Costello re-opened in General Sessions yesterday with the selection of four jurors.

The trial first began two weeks ago and one juror was selected at that time, but he was excused yesterday because of the lapse of time. The first juror selected yesterday, and therefore automatically foreman of the panel, was Hayward T. Carter, a letter carrier of 244 W. 149th St. The trial was delayed to allow defense counsel Maurice Edelbaum to complete another case.

Other Jurors

The other jurors sworn in before Judge John A. Mullen were Arthur Clohissie, investment broker of 1215 Fifth Ave.; James R. Warrick, a postal clerk of 470 Convent Ave., and Samuel C. Goodrich jr., manager of a theatrical studio management firm, of 66 W. 55th St.

Gigante, a thirty-year-year hoodlum and former professional boxer, lives at 134 Bleecker St. in Greenwich Village. He is accused of creasing Costello's skull with a .38-caliber slug the night of May, 1957, as Costello crossed the foyer of the Majestic Apartments, in which he lives, at 115 Central Park West.

Currently, Gigante is free in $100,000 bail. He appeared calm and assured in court yesterday, despite the fact that he faces a maximum sentence of twenty-five years if convicted.

To Call Costello

Assistant District Attorney Alexander Herman said as the trial re-opened that he expected the state would present fifteen witnesses—one of them Frank Costello—in the course of a week.

Costello, the big-time gambler, wasn't in court yesterday. He has insisted he doesn't know who shot him or why. Gigante, a small-time gambler, has said he has no idea what the shooting was all about, either.

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Herald Tribune photo by Ira Rosenberg

TRIAL RESUMES IN COSTELLO SHOOTING—Vincent L. (Chin) Gigante arriving at court yesterday with his parents, Mr. and Mrs. Salvatore Gigante.

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'This Is for You, Frank'—And That's How Costello Was Shot

By JAMES DAVIS

The gunman followed gambler Frank Costello into the lobby of the apartment house, then won his attention by saying, "This is for you, Frank." As the millionaire racketeer turned, the gunman fired a single shot. The bullet tore a bit of flesh from above Costello's right ear. His assignment bungled, the assassin ran outside to his double-parked auto and sped south on Central Park West.

This was the story of the attempt on Costello's life, at 11 P. M., May 2, 1957, as related by the prosecution to an all-male jury in General Sessions yesterday. Accused of being the gunman, and charged with attempted first degree murder, was ex-boxer Vincent L. Gigante, 29.

Costello's Companion Heard

The first important witness put on the stand by Assistant District Attorney Alexander Herman was Philip Kennedy of 320 W. 67th St., who was with Costello up to a moment before the murder attempt.

Kennedy said he had known Costello for about a year and had encountered him at 6 o'clock the night of the shooting in Chandler's restaurant, 49 E. 49th St. Later, he said, he accompanied Costello to L'Aiglon restaurant, 13 E. 55th St.

There, they joined Costello's wife, Walter Miller, an employe of the New York Enquirer, and "young Pope," whom Kennedy identified as owner of the Enquirer. (Generoso Pope Jr. is publisher of the Enquirer.) About three hours later, he and Costello went to the Monsignore restaurant, 61 E. 55th St., Kennedy testified.

Get a Cab Together

At 10:40 P.M., the two left the restaurant and hailed a taxi together. Costello got out of the cab at his residence, the Majestic Apartments, at 115 Central Park West.

As the cab moved away with Kennedy, a shot rang out.

"It sounded like a large firecracker," the witness said. He said he got out of the cab, paid the driver and ran to the lobby of the building.

As he did so, he heard the roar of an auto engine and saw what looked like the tailfin of a Cadillac speeding southward, Kennedy testified.

"In the lobby I saw Mr. Costello and he was bent and holding his head," Kennedy said, adding that two building employes "stood in utter panic" to one side.

"Was there blood?" asked Judge John A. Mullen.

"Yes, there was," replied Kennedy. He then told of hiring a taxi and taking Costello to Roosevelt Hospital.

Defense counsel Maurice Edelbaum then started cross-examination of the witness. He directed Gigante to stand up. Edelbaum then asked Kennedy whether, at any time on May 2, 1957, he had seen Gigante.

"No, I did not," said Kennedy.

The trial will continue today. If convicted, Gigante could receive up to 25 years. He lives at 134 Bleecker St.

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U.S. Trying Again to Denaturalize Costello

By ERWIN SAVELSON

The Federal government yesterday started new proceedings to denaturalize and deport gambler Frank Costello.

A previous denaturalization action against the 67-year-old gambler was dismissed by the Supreme Court last April 7 on a technicality. The high tribunal ruled the government had been to slow in filing an "affidavit of good cause" showing the evidence on which the action was based.

U. S. Attorney Williams yesterday filed a new voluminous complaint and five affidavits from officials to support the government's demand that Costello be stripped of citizenship.

Costello, a native of Italy, was accused of obtaining his citizenship in 1925 in a fraudulent manner.

WILLIAMS CITED seven reasons why the gambling kingpin should be denaturalized. The government complaint charged Costello with stating his occupation in 1925 was "real estate," when he actually was engaged in bootlegging. It also accused him of making the same false statement about Harry C. Sausser, a man who vouched for him at citizenship proceedings.

Williams also charged that Costello falsely claimed the only other name under which he was ever known was Francisco Castiglia, whereas he also used the names of Frank Stello and Frank Saverio.

The prosecutor also accused Costello of lying in denying he had ever been arrested or convicted of any crime when, in fact, he had been arrested on robbery, larceny and Sullivan law charges, and convicted on the latter count.

The affidavits accused Costello of falsely promising to support the U. S. Constitution when he actually was engaged in bootlegging and failed to file Federal and state income tax returns.

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Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
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Mr. Holloman
Miss Gandy

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(COSTELLO)
NEW YORK--THE GOVERNMENT TODAY RENEWED ITS EFFORTS TO STRIP GAMBLER FRANK COSTELLO OF UNITED STATES CITIZENSHIP AND EVENTUALLY DEPORT HIM TO HIS NATIVE ITALY.
THE U.S. ATTORNEY'S OFFICE FILED SUIT IN FEDERAL COURT AGAINST THE 67-YEAR-OLD COSTELLO FOR A SECOND TIME.
THE SUPREME COURT THREW OUT THE GOVERNMENT'S FIRST SUIT LAST MONTH ON A TECHNICALITY. IT SAID FEDERAL ATTORNEYS HAD FAILED TO FILE AN W"AFFIDAVIT OF GOOD CAUSE" WHEN THE SUIT BEGAN. SUCH AFFIDAVITS WERE FILED THIS TIME.
NO DATE WAS SET FOR THE NEW CASE BUT ASSISTANT U.S. ATTORNEY MORTON S. ROBSON SAID HE WOULD MOVE FOR AN EARLY TRIAL.
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Costello Scores Again

GANGSTER Frank Costello has won (again) a new lease on the American citizenship his hoodlum record belies.

On a "technicality," as the news reports described it, the Supreme Court, no less, dismissed a suit to take away his naturalization papers—a step toward deporting him. And a pretty technical "technicality" at that.

When the Government goes to court to lift a man's citizenship, it is required to file an "affidavit of good cause." That is, a bill of particulars. Two appellate courts had differed as to whether this affidavit had to be filed simultaneously with the petition or merely soon thereafter. The Supreme Court said simultaneously.

So the Justice Department, which for five years has been battling technicalities raised by Costello's lawyers, now must start all over. Attorney General Rogers says he will.

Don't give up, Mr. Rogers.

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6-19 (Rev. 10-29-57)

As Pegler Sees It:

Law and Order And Mr. Costello

By WESTBROOK PEGLER

IF YOU could have heard me the other night, you would have been agape at my brilliance, logic and sublime moral courage. But eulogy is a little out of my line so I will abate the hero-worship and get into the act which took place at a magnificent salon of the haut monde, the bon ton and the cognoscenti. You know what I mean. Rich people!



PEGLER

This pretty lady said something about the Mafia, and name-dropper that I am, I said, "Frank Costello is lunching with me tomorrow." And if you don't believe he did, ask the cops; ask Hogan's office; ask the U.S.D.A. or the FBI.

She let out a squawk and she said, "Lunching? Costello? The prime minister of crime? The dictator of the international underworld? Aren't you ashamed. Or embarrassed? Everybody knows about all those murders; the what-you-call-it case, you know, that Mafia murder in the barber shop a few weeks ago. And the narcotics ring."

I said, "One thing at a time. All about what murders? Sister, if you know all about any murders, you have a moral and legal duty to hop right down and tell Frank Hogan, the D.A., because Hogan has been setting traps for Costello for more than 20 years and, so far, the best he could do was 30 days for contempt of a grand jury when Costello refused to tell them what some figures meant on a little chit of paper which some cops stole out of his pocket when some dastardly criminal shot him alongside the ear.

"Why didn't the cops pinch the gunman? They already knew what the figures meant and so did the FBI. And anyway, it was none of the grand jury's business what those figures meant. Somebody shot Costello. That was a crime against him. Then some cop unlawfully searched the clothing of an emergency patient in a hospital and stole a certain piece of paper, his lawful property. The grand jury should have indicted the cop. But instead, some judge gave the victim 30 days and then choked up and let him out after 15 days."

This lady said: "Do you mean to tell me you sincerely believe Costello is innocent?"

I said: "Innocent of what?"

She said: "All those murders."

I said: "The guy isn't even accused of murder. Any more than you are. He isn't accused of narcotics."

She said: "Oh yes, but just because they rake in all those millions so they can hire the cleverest lawyers in the country, don't you try to tell me he is innocent."

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I said: "That Frank Hogan thinks he is a pretty smart lawyer, himself, and the people seem to think he is the most, because they pay him all the law allows and they keep on re-electing him. So why should Costello hire dumb lawyers? Would you?"

The lady said: "Well, we got him at last and his clever lawyers weren't clever enough this time."

I said: "Do you know what he got those five years for? Not for murder or narcotics. Not for Mafia. He got five years for signing his name on a piece of paper."

She said: "Well, they had to get him for something. After all, what about law and order?"

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Mr. Pegler's next column appears here Wednesday

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Costello Beats Another Try To Jail Him

The law's delays continued to work yesterday for racketeer Frank Costello, who was supposed to have gone back to jail for income tax evasion just before Christmas but now faces an indefinite stretch of freedom.

The underworld czar won his latest legal victory in the U. S. Court of Appeals through the arguments of his counsel, Edward Bennett Williams. Williams was appealing the denial by Federal Judge John F. X. McGohey of a motion to continue Costello in bail pending the outcome of a prior motion to set aside the conviction and 5-year sentence on the tax rap.

3-Part Plea

The three-judge court listened intently yesterday to Williams' contention that Costello's privacy had been invaded and his rights violated when a watch was put on his correspondence, wiretaps were made by local officers on his phone and the income tax returns of 150 prospective jurors were inspected.

Williams argued that these were "grave questions of law" and there was nothing "frivolous" about the bail motion, as Judge McGohey had suggested.

Arguing against the motion was Chief Assistant U. S. Attorney Arthur H. Christy.

The court reserved decision on the motion to grant bail but stayed Costello's surrender until a "decision" is reached.

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GIR 16

The Invisible Government

Frank Costello's Dinner

By Milton Lewis

Mr. Lewis is a veteran crime reporter for The Herald Tribune.

BACK in 1949 another gangster threw a party—and made even bigger headlines than the Apalachin banquet of the Invisible Government.



Lewis

This one was not in any hidden retreat on a hillside far from so-called civilization. Nor was the dinner served on that occasion in an area loaded down with bushes and mud, neither especially conducive to the wearing of thin-soled pointy shoes, silver-gray Borsalinos and hand-tailored imported Italian suitings with wide, wide shoulders.

It was on Jan. 24, 1949, that one Frank Costello sponsored a real fancy beefsteak—true, not of the outdoor, over a spit, charcoal variety, considered by many to be unsurpassably succulent. And Frankie didn't have to worry about the elements, either, because his affair was strictly indoors—in fact, in a cellar, albeit a fancy one.

The cellar, of course, was located in the Copacabana, then as now at 10 E. 60th St., a good piece from the unknown community of Apalachin. Frankie arranged this party in a good cause, he insisted. (His enemies—the newspapers—had another explanation, to be touched upon later in this piece.) At his subsequent trial for income tax evasion it was shown—and conceded by the government—that the quondam kewpie doll salesman and rum runner had on numerous occasions made hefty contributions to worthy causes.

This particular night—it was a rainy Monday, just as it was raining in Tioga County last Thursday—Frankie was serving as vice-chairman, Men's Division, of the Salvation Army. The invitations he sent out read "Dinner & Entertainment, Sponsored by Frank Costello." In the lower left hand corner of the highly-embossed invite were the words "$100 per person" and on the southeast corner of the card it read "Dress Informal." By "informal," it was understood "come in a tuck"—and that was the way everybody from the vice-chairman down (or up) came, including Boss Frankie.

There was another difference worth mentioning between the 1949 and 1957 barbecues. For present among the 150 guests of Frankie's were judges from practically every court in New York.

Hugo Rogers, as Borough President of Manhattan and leader of Tammany Hall, was there. So was an up and coming Democratic leader, one Carmine G. DeSapio, then a member of the Board of Elections and described as "a Tammany leader." Now, of course, Mr. DeSapio is the Grand Sachem—and still riding high.

This is what the $100 menu called for: (See box).

Inside there was this inspiring message:

"To relieve the needy, to tend the sick ... to lift up the fallen, to preach and demonstrate God's beneficence and universal brotherly love ... devoted to the task of rescuing, salvaging and restoring bruised and broken human bodies and souls, buffeted by winds of adversity and wrecked upon the rocks of misfortune or misdeeds."

Attached to the menu was the following printed statement from Frankie, who may or may not have employed a ghost writer to frame it:

"I deem it a great honor and privilege to take part in the 1949 Salvation Army Campaign and to sponsor this Dinner and Entertainment on its behalf.

"For the generous contributions of my many dear friends to this great cause and for their assistance in making this affair possible, thanks from the bottom of my heart.

FRANK COSTELLO,
Vice-Chairman, Men's Division."

* * *

FEW, if any, of the members of the judiciary present cared to comment on the affair, but George Wolf, who long served as Frankie's legal adviser, said:

"It was a lovely crowd and a fine affair. Anybody in the City of New York should have been proud to be at that party."

Another comment, from another guest, Mrs. Howard Chandler Christy, wife of the artist, agreed with Mr. Wolf, saying:

"It was a lovely affair. I never met so many judges."

This reporter was there, too—briefly, and consequently is in no position to say whether it was a lovely affair. I got booted out. I did cadge a couple of free drinks—probably paid for by Frankie himself—at the upstairs, or street-floor bar. But when I tried to go down to that cellar, a fat rope in the front and a ham-like hand in the rear belonging to a Neapolitan called Kelly stopped me.

Never having gotten down to the cellar, I was unable to see the pols in action, but Mr. Wolf gave out a partial list of distinguished guests. Besides those already mentioned, the lawyer said that the following were among those present: S. Samuel DiFalco, now

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a New York County Surrogate and then a State Supreme Court Justice; Supreme Court Justices Thomas A. Aurelio—who once thanked Frankie profusely over a tapped telephone—and Anthony J. DiGiovanna; Generosa Pope jr. and Arthur G. Klein, then Democratic Representative from the 19th Congress District and now a Supreme Court Justice.

* * *

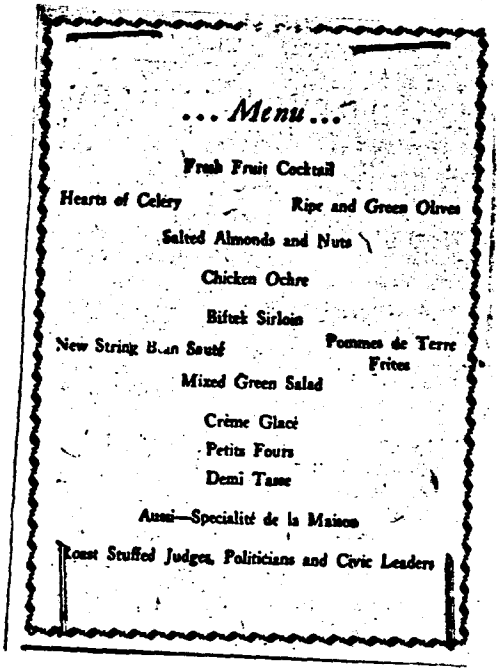
NOW to get back to that parenthetical sentence. There was considerable talk at the time—this was early 1949—that Frankie, while he had a soft spot for the Salvation Army, really ran the "Dinner & Entertainment" for another reason: to show Vito Genovese who was boss.

Could Vito get himself named a vice-chairman, Men's Division, of the Salvation Army and summon—that's the word, all right—150 luminaries to come break Pommes de Terre Frites with him? Of course not. Why, there is some slight question as to whether Vito would know just what it is.

Then, as now, there was a a fight for power in the underworld—and Frankie was putting Vito in his place.

What's the score today?

Vito gets himself invited to a get together of the top hoodlums of the Invisible Government and Frankie does not. Wait a minute. Maybe Frankie was invited — but could not possibly make it since he has been under constant police guard since May 2 when a bullet bounced off his skull, temporarily putting him out of business. Unanswered question — Why wasn't somebody following the others?



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The Invisible Government (Cont.)

The one question Frank Costello preferred prison to answering was where the Syndicate puts its money. Estimates of this "take," from slot machines, prostitution, the dope trade, etc., have run as high as $300 million a year.

The power that this provides for "buying" elections and maintaining and keeping mayors, prosecutors, judges and so on who will work with the Invisible Government is too obvious to need restating. If any clear demonstration of it were needed, it is in the kind of people who attend Frank Costello's $100 dinners, and in the unseemly haste with which the kingpins of the mob were released by Harriman's state police the other day when they happened to trap them by accident.

That the hidden fortune of the Invisible Government must be very huge is evident from the fact that one of the delegates to Apalachin had $10,000 in loose currency in his pocket. Many will remember the $27,200 in loose folding money which Frankie absent-mindedly forgot in a taxi back in 1944.

Down in Nashville, Tenn., the other day the greatest American hero of World War I, the famous Sgt. Alvin C. York, who lives on a pension of $60 a month and is in a wheel chair from a stroke, was haled into Federal court for prosecution for having no money to pay an ~~$85,000 tax~~ claim on money allegedly received from the proceeds of the movie "Sergeant York."

It is a fine irony that a nation tries to put its heroes in jail while allowing the murderers and crooks to rule whole cities.

Here is a measure of the Invisible Government's hidden treasure:

¶ Since 1941 the amount of money in circulation has risen from $11.1 billion to $31.13 billion.

¶ In the same period the amount of $100 bills in circulation has risen from $1.4 billion to $5.5 billion.

¶ A huge part of this increase is in the form of large bills which have been squirreled away into safe deposit vaults, mattresses and other hiding places by the syndicate, by war profiteers, by professional people and others who receive cash fees—and who hide them to avoid paying taxes.

We have a simple suggestion to make to Treasury Secretary Anderson to flush all this "hot" money out of hiding and into the view of the tax collectors.

That is to call in, by a given date, all the currency now in circulation for exchange for new bills of a different size and variety, a date being set beyond which the old money would become invalid.

What a day that would be, and what a scurrying of the big and little rats, mice and other vermin of the underworld to their treasure chests.

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Mr. Tamm
Mr. Trotter
Mr. Nease
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Mr. Holloman
Miss Gandy

UP102

(CLUB)

THE UNITED STATES TAX COURT HAS ORDERED NEW YORK GAMBLER FRANK COSTELLO'S PLUSH NEW ORLEANS GAMBLING CLUB TO PAY $175,000 IN BACK INCOME TAXES, IT WAS DISCLOSED.

THE GOVERNMENT ORIGINALLY CLAIMED THAT THE GAMBLING CASINO -- THE BEVERLY COUNTRY CLUB -- OWED $578,410 IN TAXES DUE FOR THE YEARS 1948, 1949, 1950 AND 1951.

SETTLEMENT OF THE CASE WAS LONG DELAYED BECAUSE COSTELLO'S PERSONAL RECORDS WERE TIED UP BY SUBPENA IN THE U.S. DISTRICT COURT IN NEW YORK AND THE COURT OF APPEALS.

J.E. MURDOCK, CHIEF JUDGE OF THE U.S. TAX COURT, HANDED DOWN THE DECISION IN THE CASE ON OCT. 18 WITHOUT COMMENT.

MURDOCK'S RULING CLEARED THE GAMBLING CLUB OF ANY LIABILITY TO BACK TAXES IN 1950. THE GOVERNMENT CLAIMED THE WELL-KNOWN GAMBLING CASINO OWED $109,255 IN BACK TAXES FOR THAT YEAR.

THE CLUB WAS CLOSED SEVERAL YEAARS AGO AFTER SEN. ESTES KEFAUVER (D-TENN.) BROUGHT HIS SENATE CRIME INVESTIGATING COMMITTEE TO NEW ORLEANS TO INVESTIGATE RACKETEERING AND GAMBLING THERE.

THE CLUB'S OWNERS HAVE SINCE BEEN TRYING TO SELL THE LAND TO REAL ESTATE OPERATORS WHO WANT TO ERECT MOTELS OR A HOTEL ON THE SITE.

WHILE OPERATING AS A GAMBLING HOUSE, THE CLUB WAS RUN UNDER A PARTNERSHIP COSTELLO HAD WITH CARLOS MARCELLO, NOW FIGHTING DEPORTATION; PHILIP (DANDY PHIL) KASTEL, THE CLUB'S PRESIDENT, AND A.G. (FREDDY) RICKEFOR.

AT ISSUE IN THE TAX CASE WERE TAX DEDUCTIONS CLAIMED BY THE GAMBLING CASINO IN THE FOUR YEARS. THE GOVERNMENT DISALLOWED SUCH ITEMS AS $2,000 IN THE CLUB SENT TO ORLEANS, FRANCE, TO RESTORE A STATUE OF JOAN ARC THERE, AND $11,000 PAID TO COSTELLO FOR "SERVICES RENDERED."

THE LARGEST ITEMS DISALLOWED, HOWEVER, WERE LOSSES CLAIMED BY THE CLUB ON ITS GAMBLING OPERATIONS. UNDER TAX LAWS, GAMBLING LOSSES MAY BE CLAIMED AS A DEDUCTION PROVIDED WINNINGS ARE LISTED.

THE GOVERNMENT ARGUED THAT THE LOSSES SHOULD BE DEDUCTED ON A DAILY OR WEEKLY AVERAGE BASIS. THE GAMBLING CLUB ENTERED THE LOSSES ON AN ANNUAL BASIS.

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THE LOSSES CLAIMED BY THE CLUB AND DENIED BY THE GOVERNMENT AS NON-TAXABLE INCOME WERE: $496,109 FOR 1948, $348,571 FOR 1949, $441,873 FOR 1950, AND $55,233 FOR 1951.

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THE GOVERNMENT CLAIMED $195,136 IN BACK TAXES FOR 1948. THE TAX COURT RULED THAT $36,730 WAS ACTUALLY OWED TO THE GOVERNMENT. IN 1949, THE GOVERNMENT CLAIMED AN ADDITIONAL $147,051 IN BACK TAXES. THE TAX COURT GRANTED $24,652.

THE GOVERNMENT CLAIMED $109,255 IN BACK TAXES AND THE TAX COURT RULED THAT THE CLUB HAD "NO DEFICIENCY IN INCOME TAX DUE" THIS YEAR.

IN 1951, THE GOVERNMENT CLAIMED $126,969 IN BACK TAXES. THE TAX COURT GRANTED $113,618 IN THE CLAIM AGAINST THE CLUB.

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WASHINGTON CITY NEWS SERVICE

0-19 (Rev. 8-7-56)

COSTELLO WITNESS BARES '36 COMEDY

Hearing Is Told of Bungled Wiretap and F.B.I. Victory Hoover Was Unaware Of

By EDWARD RANZAL

A "now-it-can-be-told story" was unfolded yesterday in Federal Court at a hearing to set aside Frank Costello's conviction for income tax evasion.

The tale was told by John Cye Chaste, former agent for the Internal Revenue Bureau, now assistant counsel to the Senate Select Committee on Improper Practices in the Labor or Management Field.

Mr. Chaste was called to the stand by Edward Bennett Williams, lawyer for the gambler. The witness went back to 1936 or '37, the time of one of Joe Louis' defenses of his heavyweight boxing championship in New York.

The city was crowded with celebrities. On hand from New Orleans were Costello, Dandy Phil Kastel, the former's slot machine partner, and Seymour Weiss, one-time close associate of the late Huey Long.

The witness said he and two other agents had been ordered by superiors to tap the telephone in a suite occupied by the three from New Orleans, and to keep a visual surveillance. The tap was placed in a room on the twentieth floor of the New Yorker Hotel. The agents retired to a seventeenth-floor room to listen.

It wasn't too long, Mr. Chaste related, before the agents realized "we got into the wrong line and we had to change it in a hurry." Inadvertently, the agents had tapped the telephone in the suite occupied by the late Harold G. Hoffman, who was then Governor of New Jersey.

The agents rectified their mistake, but Mr. Chaste said he never heard Costello on the telephone.

Room Gets Too Crowded

The day after the fight, the witness continued, he followed the three to the hotel's dining room. Toward the end of their meal J. Edgar Hoover, director of the Federal Bureau of Investigation, and his assistant, Clyde Tolson, sat at an adjoining table.

The F. B. I. men apparently did not recognize their neighbors. But the three from New Orleans knew Mr. Hoover. They left their meal unfinished and dashed out.

Weiss, who was about to sail for Europe, stayed in his room. Mr. Chaste followed Costello and Kastel to the Pennsylvania Railroad terminal, where the two bought plane tickets for the first flight back to New Orleans. They returned to the hotel, packed and left for Newark Airport.

The story drew chuckles from spectators. But Costello, seated at the defense table, seemed to get the biggest kick out of it.

Earlier, Costello and his lawyer for the 1954 tax trial, Leo C. Fennelly, were called to the stand by Mr. Williams. Both said they had no knowledge that the prosecution had access to wiretap information, that there had been a mail cover on the gambler's postal deliveries, and that the Internal Revenue Service had investigated the income tax returns of prospective trial jurors.

The hearing will continue today before Judge John F. X. McGohey.

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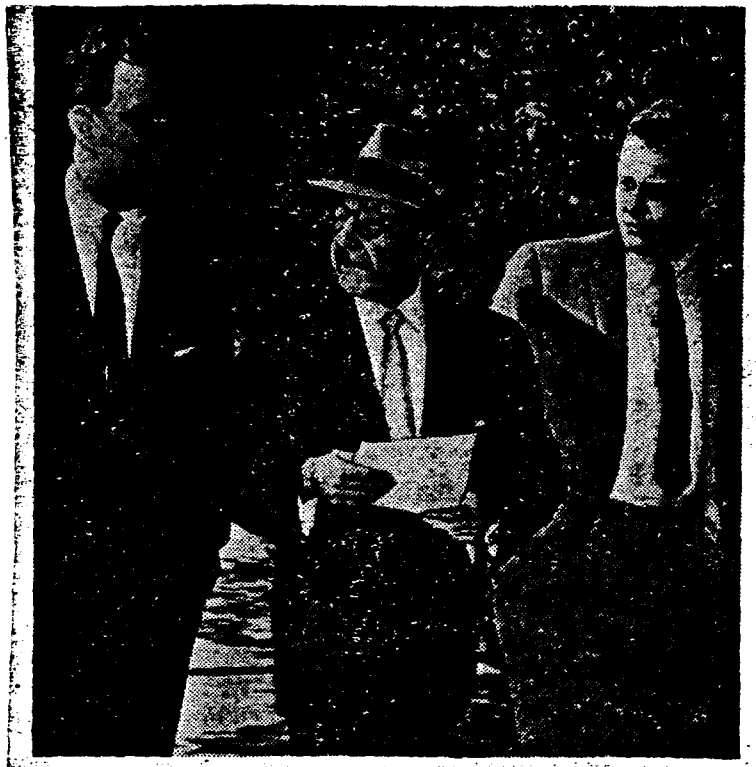
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EXIT COSTELLO, FLANKED BY LEGAL BATTERY
Leaves court, where he seeks to upset tax evasion conviction.
(Mirror Photo by Arthur Foote)

Jury 'Classified,' Costello Objects

An Internal Revenue officer inspected the tax returns of 150 prospective jurors, then the government classified them in four groups according to their "acceptability," it was testified yesterday in Federal Court as gambler Frank Costello sought to upset his 1954 conviction on income tax charges.

Inspection of the panel's tax data produced, not a cross-section of the community in the jury box, but what was in effect a blue ribbon jury, he contends.

TESTIFYING on the classification system was Internal Revenue intelligence agent John Robert Murphy. He said former Chief Assistant U.S. Attorney Lloyd F. MacMahon directed and played a major role in classifying the prospective jurors, for Costello's trial.

Judge John F. X. McGohey ordered the government to bring in a copy of the jury panel with the classification numbers written on it.

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Hints U.S. Is Hiding Costello Evidence

Records which the government contends proved racketeer Frank Costello was guilty of income tax evasion are "not available" or "somewhere in the files," it was brought out in Federal Court.

Lawyer Edward B. Williams, trying to reverse Costello's 1954 conviction, hinted the files were being buried by the government to conceal the fact they were based in part on wiretapping. Wire-tap evidence is inadmissable in federal courts.

The admission that the files could not be found was made by Treasury Agent Peter F. Geissler.

Questioning by Williams an official of the District Attorney's office established that on three occasions the racketeer's two phones in his home were tapped.

Williams implied illegal evidence was thus obtained.

The taps, according to testimony, were made during a six-month period in 1943, a three-month period in 1946, and a year and a half period in 1950-52.

Costello was convicted of evading taxes of $28,532.

CLIPPING FROM THE
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DATED
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P.5 NIGHT EXTRA

RE: FRANK COSTELLO
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Gigante Pays $500 As 10-Time Scofflaw

He Gets Out In $100,000 Bail In Costello Case

Vincent (Chin) Gigante was released in $100,000 bail yesterday as the alleged attempted murderer of Frank Costello and then arrestted immediately as a ten-ticket scofflaw.

Brought before Chief Magistrate John M. Murtagh in Traffic Court, the twenty-nine-year - old hoodlum pleaded guilty to the tag charges and was fined $500 at the mazimum rate of $50 on each. His alternative was 100 days in jail. The tickets went back to 1952.

$117,000 Security

Security totaling $117,000 was put up by kin and friends of Gigante to get him free. The largest amount, consisting of $76,580 in stocks, was put up by Cross Siclare, of 1738 80th St., Brooklyn, described as in the paper and twine business. Ralph Caggiano, of 112 Sullivan St., posted $11,878.71, and Gigante's parents, of 134 Bleecker St., put up $12,500. They like Mr. Caggiano, turned over bankbooks for that amount to the bondsman, Al Newman, of 134 Centre St.

Costello, sixty-seven, was shot and slightly wounded in the head in the street-floor the head in the stree-floor foyer of his apartment house at 115 Central Park West. On Aug. 19—a month ago today— Gigante surrendered and was indicted on a charge of attempted murder, punishable on conviction by 12½ to 25 years in state prison. He insisted he was innocent.

However, in a bail argument last week, District Attorney Frank S. Hogan's office charged in court that Gigante, a former professional heavyweight boxer, had been hired to do the job. Just why Costello was shot has never been spelled out.



Herald Tribune—Rosenberg

Vincent (Chin) Gigante after being freed in $100,000 bail yesterday.

Going to Hospital

In pleading Gigante guilty to the traffic tickets, Maurice Edelbaum, lawyer of 1440 Broadway, said that his client was going into a hospital today for a "gall-bladder condition." After the $500 fine was paid over, Gigante smiled broadly—and rushed up to kiss his father, waiting for him in court.

The ten tickets consisted of five for parking in a restricted area, two for parking at a bus stop, two for overtime parking and one for leaving his car too close to a hydrant.

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Gigante Is Indicted In Costello Attack

To Be Tried for Attempted Murder; Grand Jury Hears Victim, 4 Others

Vincent (Chin) Gigante was indicted yesterday by a New York County grand jury for the attempted murder of Frank Costello. The panel heard five witnesses, including Costello. If convicted, the twenty-nine year old suspect, a hoodlum and former heavyweight boxer, can be sentenced to from twelve and a half to twenty-five years in state prison.

He will be arraigned today in General Sessions, where he is expected to plead innocent.

Costello Balks Reporters

The sixty-seven-year-old Costello showed up at the Criminal Courts Building in a dark suit and hatless, and on leaving, even refused to say if he had appeared before the grand jury —which he had.

"You'll have to ask the D. A.," he rasped several times. The wound in his head caused by the bullet which nicked him on May 2 in the foyer of his building at 115 Central Park West seemed to have cleared up.

Others Testify

Costello was accompanied by his lawyer, Joseph Leary Delaney, and two detectives. Other grand jury witnesses were Philip Kennedy, a model agency executive who was with Costello the night he was shot; a cabdriver who drove Costello just before he was wounded and an elevator operator and doorman at Costello's building.

Gigante surrendered to police last Monday, but has refused to say just where he had been in hiding. District Attorney Frank S. Hogan refused to say who identified Gigante as the attempted murder suspect, but it was assumed that at least one of the grand jury witnesses did so.

Police Hunt Getaway Driver

Costello has maintained right along that he never got a look at his assailant. Police are still trying to find the driver of the car used by the gunman to make his getaway.

The indictment against Gigante accuses him of "wilfully, feloniously and with a deliberate and premediated design to effect the death of Frank Costello . . . by shooting him with a pistol."

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Frank Costello
Info Concerning

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Associated Press Photo

Vincent (Chin) Gigante looks out from behind bars in Police Headquarters before arraignment.

Costello Again Faces Jury Quiz on Shooting

Frank Costello may be called before the grand jury again today to be requestioned about the attempt on his life May 2.

He was uncooperative in earlier appearances.

District Attorney Hogan indicated he would move swiftly to indict small-time gambler Vincent (The Chin) Gigante, 29, as the gunman who creased Costello's skull with a bulet.

Gigante gave himself up Monday and was held without bail yesterday when he was arraigned in Magistrates' Court on a charge of attempted murder.

Gigante insitsed he was innocent, and told his lawyer none of the witnesses called in by police had identfied him.

The lawyer, David M. Markowitz, has a habeas corpus writ returnable for today in Supreme Court. He will argue for "reasonable bail."

CLIPPING FROM THE
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DATED AUG 21 1957
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RE: FRANK COSTELLO
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Miss Gandy

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Frank Costello
Info Concerning

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EX-BOXER HELD IN COSTELLO CASE

Gigante Accused of Trying to Kill Gambler—Silent in Long Questioning

A former boxer who surrendered to the police yesterday in connection with the three-month-old shooting of Frank Costello was charged with attempted murder last night.

Vincent L. Gigante, 29 years old, a laborer with a criminal record dating back twelve years, was charged specifically with firing one shot at the gambler last May 2 in an attempt to kill him. Costello was grazed in the scalp by the bullet when he entered the foyer of his apartment house at 115 Central Park West.

The 220-pound former boxer, known as Chin, had walked into the West Fifty-fourth Street station at noon, accompanied by his lawyer, David M. Markowitz. At 9:45 P. M., almost ten hours later, Gigante was formally booked on the attempted murder charge. He will be taken to Police Headquarters for the line-up this morning and will be arraigned later in Felony Court.

Gigante, the father of four, gave his address as 134 Bleecker Street. Chewing gum and giving every sign of jauntiness, he was smiling broadly when he was booked.

After giving himself up, Gigante was questioned by police officials, including Acting Police Commissioner James R. Kennedy, and by Assistant District Attorney Vincent J. Dermody.

According to the police, Mr. Markowitz said that he had brought in his client because Gigante had learned that he was wanted for questioning in the attack on Costello. However, according to Deputy Inspector Frederick M. Lussen, in charge of the Costello investigation, Gigante remained mute during questioning. His lawyer left after an hour.

Gigante, who was once described by the police as a man who lived on the "fringe of the rackets," has a list of arrests that goes back to March, 1945, when he was arrested on a charge of criminally receiving stolen goods. His record includes arrests for grand larceny, arson, violation of the Sullivan Law and gambling.

Six witnesses, including Costello himself, went to the station for a look at the former prize fighter. The police would not say whether any of the witnesses had identified Gigante as the man who shot the gambler.

The 66-year-old Costello made a fifteen-minute appearance at the police station. He arrived at 4:45 P. M., accompanied by three detectives, and was escorted through a rear door to the detective squad room upstairs. The gambler looked drawn, and he puffed nervously at a cigarette.

When he left fifteen minutes later he was smiling and did not try to hide his face from photographers who were taking pictures. A detective hailed a taxi in Eighth Avenue near Fifty-fourth Street and rode off with him. Costello had been brought to the station house from an undisclosed East Side haunt.

Another witness was William Kennedy, operator of a model agency. Mr. Kennedy had accompanied Costello to his home the night he was shot. The police refused to divulge the results of their interrogation of Mr. Kennedy. The witness tried to avoid reporters as he left the station house through a side entrance.

Costello has steadfastly insisted that he was unable to identify his assailant. On May 7, he was sentenced to thirty days in the workhouse for refusing to answer some questions before a grand jury that investigated the attempt to kill him. He invoked the Fifth Amendment against self-incrimination when questioned about a piece of paper found in his possession that listed $651,284 in gambling winnings.

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Re: Frank Costel
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Gillett

'The Chin' Is Charged In Costello Shooting

NEW YORK, Aug. 19 — Vincent (The Chin) Gigante, who was sought for three months in the ambush shooting of gambling czar Frank Costello, was charged with the attempted murder tonight.



Gigante

Assistant District Attorney Vincent Dermody announced that the gambler and former prizefighter, who unexpectedly surrendered earlier today, will appear in Felony Court Tuesday for arraignment. Dermody said, "As a result of the investigation which involved the questioning of Gigante and all the other witnesses involved, I have ordered him booked for the attempted murder of Frank Costello . . ."

Dermody refused to elaborate other than to say that Gigante had appeared in a police line-up for identification purposes.

When Gigante dropped by police headquarters today, authorities were surprised not only by his visit but also by the fact that he had lost so many of his 230 pounds that he no longer matched his Rogue's Gallery photos.

His sleek haircut had been replaced with a crew cut, making it still more difficult for anyone who did not know him well to identify him.

Gravel-voiced Costello lost little time in dropping in to give Gigante the once-over. Costello, who was sentenced to the Workhouse for refusing to give police any information about the attack on his life, confronted Gigante and then left 15 minutes later without saying whether "The Chin" was the man.

Deputy Police Inspector Frederick Lusen told reporters Costello was "very cooperative."

Lussen did not disclose whether Costello had identified Gigante as his assailant.

Gigante, 30-year-old smallgambler whose 230-pound girth fits the description of the gunman who grazed Costello's scalp May 2 on Central Park West, had been feared the possible victim of a gangland ride.

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UP245
(COSTELLO)
NEW YORK--VINCENT (CHIN) GIGANTE, WHO WAS SOUGHT FOR THREE MONTHS IN THE AMBUSH SHOOTING OF GAMBLING CZAR FRANK COSTELLO, WAS CHARGED WITH THE ATTEMPTED MURDER TONIGHT.
ASSISTANT DISTRICT ATTORNEY VINCENT DERMODY ANNOUNCED THAT THE EX-PRIZE FIGHTER, WHO UNEXPECTEDLY SURRENDERED EARLIER TODAY, WILL APPEAR IN FELONY COURT TOMORROW FOR ARRAIGNMENT. DERMODY SAID, "AS A RESULT OF THE INVESTIGATION WHICH INVOLVED THE QUESTIONING OF GIGANTE AND ALL THE OTHER WITNESSES INVOLVED, I HAVE ORDERED HIM BOOKED FOR THE ATTEMPTED MURDER OF FRANK COSTELLO..."
DERMODY REFUSED TO ELABORATE OTHER THAN TO SAY THAT GIGANTE HAD APPEARED IN A POLICE LINE-UP FOR IDENTIFICATION PURPOSES.
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TOP CLIPPING
DATED 8/20/57
FROM Wash Post Times Herald
MARKED FILE AND INITIALED

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WASHINGTON CITY NEWS SERVICE

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As Pegler Sees It:

Americans Suffer Tax Persecution

By WESTBROOK PEGLER

IN AN INTERVIEW with Frank Costello, the New York Journal-American reported that he praised my courage in daring to defend him against outrageous treatment by the courts.

When I chanced to meet one of my editors a little later he said, "Gee, that made me wince!"

I said, "Wince! Would you wince if Eleanor Roosevelt praised me? Or Eisenhower?" I said, "I would rather have this fellow's good opinion than Earl Warren's. Or Frankfurter's. He hasn't done half the harm in this world that they have.

"Frank Hogan, Tom Dewey, J. Edgar Hoover, 10,000 cops and snoops and attorneys-general all the way back to Cummings have been trying to prove murder on him—and bribery and all sorts of political corruption for the last 25 years. Finally the Treasury and the Department of Justice got him on a split decision in a highly questionable tax job. They could do the same to you."

I said: "Down in Sonora a few weeks ago, I learned that Mexico never sends anyone to jail for income tax trouble. A professional authority told me only one Mexican had been sent up within his memory, but not for failure to report or pay. He went away for concealing some records. He was an official of the tax department. He got five years, but after two years the missing records turned up in an envelope behind a filing cabinet. So they let him out.

D.C. SULLIVAN

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"We're the Laughing Stock . . ."

"We Americans are the only people in the taxable world who are prosecuted and sent to prison, whose records, including confidential letters and legitimate business secrets, are seized, even without warrant, under the income tax laws. We are the laughing stock of the backward nations! Frenchmen squander our earnings which our government hands over to them, but they had a revolution against their own income tax and some young twirp who led the rebellion got elected to parliament on that issue.

"The Mexicans have received bales of our taxes to pay for their beautiful new university in Hermosillo and the highway down to Guaymas, Obregon and Guadalajara as well as plenty of private profit to the contractors and providers of material. Americans here at home who failed to pay income taxes toward all this go to prison. But no Mexicans; no Frenchmen; no Italians, no Englishmen!

"I say five years for a conviction so doubtful as that is political persecution. When we take delight in such an outrage we prove that we have lost our appreciation of freedom. We ought to be scared."

I said: "Even Herbert Hoover admits, in his memoirs, that he perverted the purpose of the tax law to get Al Capone for murder, prostitution, gambling and corruption in the Chicago City Hall. A bunch of supercilious slobs from Chicago told him their fair city was a civic bankrupt. It was their own fault, but Capone got 12 years for tax evasion. The judge should have got twice that for taking part in such a job. Hoover, too, for that matter."

My friend, the editor, said: "Just the same, praise from Costello is no praise to boast about. What will people think?"

I said: "What do I care what they think? But if you ever hear of Truman putting in the boost, be a pal and tip me off. Costello ran with Erickson, Longie and the Moretti boys, but never with Max Lowenthal or Harry Dexter White."

U.S. WINS APPEAL IN COSTELLO CASE

Court Reverses Dismissal, Rules Gambler Must Face Deportation Trial Again

The United States Court of Appeals ruled yesterday that Frank Costello must again stand trial for denaturalization and possible deportation. Ten months ago Federal Judge Edmund L. Palmieri dismissed the Government's case against the 67-year-old gambler because it obtained wiretap evidence.

Much of yesterday's decision had to do with Judge Palmieri's interpretation of the situation. He wrote on Sept. 28, 1956:

"All of the information before me indicates that the tainted and illegal evidence is so intermingled with evidence that is claimed to be untainted that it is incumbent upon the Government to unravel the skein and to demonstrate that the sources of its evidence are unaffected by the use of wiretaps."

The Court of Appeals' unanimous conclusion, written by Chief Judge Charles E. A. Clark and concurred in by Judges Harry B. Chase and Carroll C. Hincks, was that "the Government should have been permitted to file a new affidavit rather than having its case dismissed."

The Government should have "a fair opportunity" to demonstrate that it has sufficient untainted evidence, the court ruled.

Admissible Evidence Found

The decision disagreed with Judge Palmieri's opinion that the Government's evidence was by and large inadmissible.

"We hold that no such demonstration was made," Judge Clark stated. "Wiretapping in 1925 or 1926 allegedly produced the defendant's prosecution in the latter year. The fruit of such tapping was spread on the public record at the open trial for bootlegging.

"We do not construe sections of the Communications Act of 1934 to render it a crime to republish information which was lawfully intercepted and divulged once before prior to that act's passage. The fruit of any 1925-1926 taps is admissible. The wiretaps of 1943 were done by state officers without F. B. I. connivance. They are admissible in Federal Court."

Costello is out on $25,000 bail, obtained last June by his attorney, Edward Bennett Williams, in an income-tax case.

Costello is seeking to have a conviction for the evasion of $28,532 in income taxes set aside. He has already served one year of a five-year prison sentence.

The deportation proceedings opened in 1952 with the Government's charge that the Italian-born gambler's naturalization petition of May 1, 1925, was fraudulent.

Assistant United States Attorney Edwin J. Wesley appealed

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Court of Appeals Ruling OKs New Costello Trial

NEW YORK, July 23 (AP).—The United States Court of Appeals has ruled that the Government can put Racketeer Frank Costello on trial for denaturalization—with deportation in the offing.

Assistant United States Attorney Edwin J. Wesley says he will seek to try Costello during the October term of the United States District Court.

Ten months ago, United States District Court Judge Edmund L. Palmieri dismissed the case against the 67-year-old Costello on the ground that it contained wiretap evidence, which usually is not admissable in Federal courts.

The Appeals Court decision yesterday said "The Government should have been permitted to file a new affidavit rather than having its case dismissed."

The appeals court, overruling Judge Palmieri, said the Government should have "a fair opportunity" to demonstrate that it has sufficient "untainted" evidence.

Admissable Evidence Cited

The appeals court also held that in two instances the wiretap evidence wa sadmissable.

Judge Palmieri had said in his ruling:

"All of the information before me indicates that the tainted and illegal evidence is so intermingled with evidence that is claimed to be untainted that it is incumbent upon the Government to unravel the skein and to demonstrate that the sources of its evidence are unaffected by the use of wiretaps."

The appeals court, disagreeing with Judge Palmieri's interpretation that the Government's evidence was by-and-large inadmissable, said:

"We hold that no such demonstration was made. Wiretapping in 1925 or 1926 allegedly produced the defendant's prosecution in the latter year. The fruit of such wiretapping was spread on the public record at the open trial for bootlegging....

Five-Year Legal Fight

"The fruit of any 1925-26 taps is admissable. The wiretaps of 1943 were done by State officers without FBI connivance. They are admissable in Federal Court. . . ."

The Government has been trying for five years to have Costello denaturalized, which would open the way to deport him to his native Italy.

Denaturalization is sought on the grounds that his citizenship application in 1925 was fraudulent in that it denied or concealed the facts that Costello had violated the National Prohibition Act, failed to pay Federal and State income taxes, conspired to bribe Coast Guard and prohibition agents, engaged in large-scale gambling operations, and had been convicted in 1915 for carrying a gun.

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Suit Revived For Costello's Deportation

NEW YORK, July 22 (AP)—The Government's five-year-old denaturalization case against Frank Costello was reinstated today by a Federal Appeals Court. It put the racketeer back beneath the shadow of possible deportation.

U. S. District Judge Edmond L. Palmieri dismissed the case last fall, holding it was tainted beyond salvation by illegal wiretap evidence.

He was overruled unanimously by the United States Court of Appeals, which said he should have given the Government a chance to proceed with such untainted evidence as it might have. Ruled the Appeals court:

"The Government should have been permitted to file a new affidavit, rather than having its case dismissed. We think the judge should have made some test of the Government's ability to meet its burden of proof with untainted evidence."

The Government charged that the Italian-born Costello gained citizenship in 1925 only by covering up a record as a gun-totter, a rum-runner and an illegal gambler. Wiretaps played an important part in its case against the 67-year-old racketeer.

Such wiretapped evidence usually is inadmissible in Federal courts. But the Appeals Court ruled that in at least two instances the wiretapped evidence against Costello was admissible.

In one case, it said, 1925 and 1926 wiretaps had already been made part of the public record in prior proceedings and the Government was free to avail itself of them now.

In the other case, the Appeals Court went on, 1943 wiretaps were made by the state and the Federal Government did not connive in them. Therefore, it ruled, they, too, are admissible.

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Costello Faces New U. S. Trial

Denaturalization Case Reinstated

NEW YORK, July 22 (AP).—A Federal appeals court today reinstated the Government's denaturalization and deportation case against racketeer Frank Costello.

United States District Judge Edmund L. Palmieri threw the case out of court last September 29 on grounds it was "permeated with the fruit of illegal wiretaps."

The United States Court of Appeals overruled Judge Palmieri unanimously, holding that the Government deserved an opportunity to press its case with evidence satisfactory to the lower court.

The 67-year-old Costello, target last May 2 of an assassination attempt, testified at his denaturalization trial last fall that "I cherish my citizenship."

Naturalized in 1925

He came to this country from his native Italy as a boy, and became naturalized in 1925. To do so, the Government charged, he covered up activities as a gun-toter, rum-runner and illegal gambler.

It was more than five years ago that the Justice Department set out to seek Costello's denaturalization, a prelude to deportation. The Government relied heavily in its case on wiretapped evidence—inadmissible in most cases in Federal courts. In dismissing the denaturalization proceedings, Judge Palmieri said:

"The wiretapping was so extensive and of such a far-reaching nature that it is well nigh impossible for me to determine what may be admissible and untainted from that which is inadmissible and tainted."

The Government sought the right to introduce evidence of an "untainted" nature, but Judge Palmieri refused an adjournment in the hearing and threw the case out of court.

Said the Appeals Court:

"The Government should have been permitted to file a new affidavit, rather than having its case dismissed. We think the judge should have made some test of the Government's ability to meet its burden of proof with untainted evidence."

Offered to Leave

More than a year ago, Costello offered to leave the country voluntarily to avoid a five-year prison sentence for income tax evasion. The Government refused the deal.

Costello served 10 months of the income tax sentence, then was released on bail pending an appeal that still is continuing.

The Appeals Court ruled that wiretapped evidence against Costello dating back to 1925-6 was admissable because it had already been made part of the public record in previous proceedings.

It also ruled that 1943 wiretaps were admissable because they were made by the State government without FBI connivance.

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Gigante 'May Be Draped In Cement,' Police Fear

By Milton Lewis

Police believe that Vincent (Chin) Gigante, small-time gambler sought in the abortive attempt on Frank Costello's life, may have been murdered or is in hiding to avoid being killed.

Gigante, a former professional heavyweight boxer said to fit the description of the "waddling" gunman who creased the racketeer's scalp with a bullet on May 2, has been hunted since last month. The assault occurred in the foyer of Costello's home, the Majestic Apartments, at 115 Central Park West.

On June 5 the Police Department circularized a letter to all detective squads which said that "Gigante was wanted for questioning in connection with the assault on Frank Costello." On June 14 the department sent a wanted card to various other agencies. The card said that "Gigante was wanted for felonious assault in connection with case 2550" and for technical reasons listed Costello as the "complainant."

New York is the complainant in the case, and police explained that both the letter and the wanted card meant only that Gigante was sought for "questioning."

Gigante, thirty, 5 feet 11 inches tall and weighing about 230 pounds, has not been seen in his usual Greenwich Village haunts. His address is listed as 134 Bleecker St., but his wife and father were quoted by police as saying they had no idea where he might be.

One police official put it this way yesterday:

"Whoever did the botched job on Costello was unquestionably picked for it and knew him,

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Gigante

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since he cried out, 'This is for you, Frank!'

"The fact that Costello was not killed, although the bullet hit him in the head, could well mean that the gunman was considered 'too hot' by whoever hired him. He may be draped in cement somewhere and we may never find him."

Wanted by Underworld

This official also made this observation, after the New York Herald Tribune yesterday broke the story that Gigante was being sought:

"The underworld now knows—if it didn't know it weeks ago—that we are looking for Gigante for questioning in the crime. This does not necessarily mean that Gigante was the man who fired the shot at Costello.

"However, henchmen of Costello in all likelihood are looking for him as eagerly as detectives are. They (the henchmen) may take it on themselves to do away with him."

Costello Lying, Police Say

As for Costello, he has insisted that he did not get a look at his assailant. For that reason, Chief of Detectives James B. Leggett said yesterday that Costello has not been shown a picture of Gigante. However, police doubt at Costello's insistence that he has no idea of the motive to assassinate him.

In fact, shortly after the shooting Chief Leggett said that Costello was lying when he said he did not see his assailant. The chief maintained, after checking ballistics and the angle from which Costello was shot, that he must have obtained a look at the would-be killer.

By not showing Gigante's picture to Costello, police evidently felt that the racketeer, true to the underworld code, would never put the finger on anyone, deciding to settle scores his own way.



SOUGHT BY POLICE—Vincente ("Chins") Gigante, wanted in the Costello case.

Leggett Annoyed

Chief Leggett said—without giving their names—that there also were others "on the fringe of the rackets" who fit the gunman's description and "I want to talk to them all." He was visibly annoyed that Gigante's name was made public and said, "If anything happens to Gigante, it won't be on my conscience."

"Wanted" cards for Gigante have been distributed to the F. B. I., the Coast Guard passport division, the United States Shipping Board, the Western Union Telegraph Company, the New York State Motor Vehicle Bureau and the Traffic Summons Control Bureau of Magistrate's Court, among other places.

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Ex-Boxer Hunted as No. 1 Costello Suspe

By Edward Kirkman and Henry Lee

A parking summons and a black limousine which twice changed ownership in two weeks put detectives on the trail of Vincent (Chin) Gigante, a fat ex-pug and underworld hanger-on; as the No. 1 suspect in the bungled assassination of gambler Frank Costello, THE NEWS was reliably informed yesterday.

After first trying to minimize Gigante's importance, police brass yesterday admitted that they have enlisted the help of all federal agencies, including G-men, in their hunt for the smalltime gambler.

Vanished After Shooting

However, the 30-year-old suspect—a 5-foot-11-inch 230-pounder whose description fits that of The Waddler who shot Costello—disappeared almost immediately after the shooting last May 2.

Detectives now fear that underworld enforcers may have beaten them to their man.

Despite bland police statements that Gigante is only "one of a number of persons" wanted for questioning, THE NEWS learned of this undercover investigation:

Right after the rubout attempt in the lobby of Costello's apartment house at 115 Central Park West, detectives checked the records of the Traffic Summons Control Bureau for any auto violations reported in the area that day.

The Auto Was Sold

A black limousine, which matched the description of The Waddler's getaway car, had picked up a parking ticket, they found. Through the license plates, they traced the car to Gigante and found that he had bought it only two weeks before the shooting which shocked police and underworld circles.

Several days after the shooting, the limousine was sold to a serviceman who is believed to have taken it to California. Police have asked a West Coast search for it.

"Disappeared," Says Wife

But when detectives got to Gigante's home at 134 Bleecker St., his wife said he had "disappeared." None of his associates around Greenwich Village and the West Side docks would admit having seen him in some time.

On June 5, all detective squads in the city received a "49," a typed statement that Manhattan West detectives wanted Gigante for questioning. His photo was attached to the alert. Police explained that when a suspect is believed still in the city, "49s," rather than flyers or teletype alarms, are used.

Chief of Detectives James B. Leggett denied any alarm had been sent out for the ex-heavyweight and insisted, "I only want him for questioning because he answers the physical description of the man who did the shooting."

On Fringe of Rackets

Gigante, he said, is just one of several characters "on the fringe of the rackets" who look like The Waddler.

Annoyed that news of the search had leaked, Leggett said, "If anything happens to Gigante, it won't be on my conscience."

Several subordinates, however, expressed confidence that the underworld intelligence is at least as competent as police and probably stumbled onto Gigante ahead of the cops. For one thing, they pointed out, Costello wouldn't cooperate with detectives.

The gambler claimed that he didn't see the gunman who called out, "This is for you, Frank!" and then creased Costello's skull with one shot.

A few hours after Leggett's denial that an alarm had been issued, Deputy Commissioner Walter Arm admitted that early this month "wanted" cards on Gigante had been sent to the FBI, postal inspectors, Coast

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